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SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

MONDAY, APRIL 6, 1987



SELECT COMMITTEE ON HEALTH

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From the Ministry of Health:

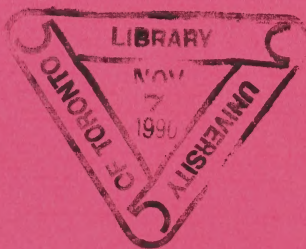
Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

From the Day Care Coalition of Metropolitan Toronto:

Ayles, T., Member, Board of Directors; Supervisor, Today's Child--Tomorrow's
Future Day Care Centre
Cioffe, J., Day Care Worker, Damascus Daycare Centre
Judge, C., Member, Steering Committee
Keyes-Bevan, T., Supervisor, Start Right Day Care Centre
Lampert, B., Member

Individual Presentation:

Gabinet, I.



LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Monday, April 6, 1987

The Committee met at 2:40 p.m. in room 2.

CONSIDERATION OF CHILD CARE

Mr. Chairman: Recognize members from all parties and we are going to proceed.

Perhaps beforehand, for the record, so that the record will be totally straight, the Association for Early Childhood who we would hear indicated they could not agree on what presentation they wanted to make so they are, therefore, not here.

National Action Committee for the Status of Women, they decided they did not wish to come today, so they have asked us and we have re-scheduled them for April 8th at which time we will be having a staff report. We will try to accommodate them before the staff report.

Just so we know what is happening to these groups that come before us and why they are not here or why they are here, there seems to be some controversy over that.

Would you like to come forward. Now, we have Chris Judge, Tess Ayles, is it?

Ms. Ayles: Ayles.

Mr. Chairman: Ayles. Janet Cioffe.

Ms. Cioffe: Cioffe.

Mr. Chairman: Cioffe, all right and Trish Keyes-Bevan. Do we have all four of those?

Mr. Johnston: You need more chairs. When you speak you will have to speak into a microphone.

Mr. Chairman: Just for your benefit, if you will try and speak into the microphone, as close to it as you can, because Hansard will be recording verbatim everything that is said here.

So perhaps if you could identify yourself for the purposes of Hansard and then whoever is going to read the brief or if all of you are going to take a part of it, let us know that.

Any time you are ready to proceed.

Ms. Judge: Thanks, okay.

Well, good afternoon to the Chairman and the members of the committee. My name is Chris Judge and I am here on behalf of the Day Care Coalition of Metro Toronto. I sit on the steering committee of the Coalition. I am a former day care worker and I am presently teaching early childhood education at a community college.

This is Tess Ayles on my right. She is a parent of a child who used to be in day care and she is on a parent Board of Directors of the day care. She is also the supervisor of a non-profit day care called Today's Child/Tomorrow's Future.

On my left is Janet Cioffe and she is a day care worker at Damascus Day Care Centre and over here we have Trisha Keyes-Bevan who is the supervisor of Start Right Child Care Centre in North York, also a non-profit centre.

I would like to start by going through the brief with you and after that we will give a chance for the other people to speak to you about some of the experiences that they have had working in various settings, non-profit and profit as well.

Mr. Chairman: Fine.

Ms. Judge: The commercialization of human services, particularly day care, is a trend which we at the Day Care Coalition of Metro Toronto find alarming. Our Coalition includes day care workers, parents, teachers, social service workers, and early childhood educators. We are committed to the principle that the children of Ontario are entitled to child care services that are universally accessible, publicly funded, of high quality and non-compulsory.

These services, we contend, can only be provided in a non-profit system. As you all know, I am sure, the demand for child care services is expanding rapidly. The temptation exists to respond to this urgent need by providing public funds to private entrepreneurs who are willing to open day care centres. We believe that this is a short-sighted solution.

Public funds for day care are limited. It is essential, therefore, that these funds be channelled entirely into children's services. In a non-profit program, all income - from parents' fees and public funds - is used for child care. In a commercial program, a portion of income - also from parents' fees and public funds - goes to the owners and is lost to child care.

We believe that using public funds to provide profits

for individual entrepreneurs is a poor strategy.

In addition, non-profit programs are publicly accountable. Their books must be open to public scrutiny by licensing and funding authorities. Commercial programs are not required to undergo the same public review.

Evidence indicates that, as a sector, non-profit programs are much more likely to offer high quality care than are commercial operations. One recent study supporting this point is the report commissioned by the Special Committee on Child Care. The only way commercial programs can make a profit is to cut corners, which affects the quality of care. These programs may cut back on equipment, program supplies, field trips or food. Some of the other people who are here today will speak to you a bit more specifically about that issue. Most often they cut back on wages. Wages is the highest expenditure in any day care and that is often where the cut back comes.

Wages paid to workers in commercial day care centres are on average 30 per cent lower than those paid to workers in non-profit centres and 50 per cent lower than those paid to workers in municipal centres.

Staff in commercial centres are generally less experienced and have less job satisfaction and significantly higher turnover rates. This undermines consistency of care. Children and their parents are all affected by this lack of continuity.

Parental involvement is an important element in the provision of a quality child care program. In its 1986 Report, the Metropolitan Toronto Day Care Planning Task Force, stated that:

"The ability of day care services to satisfy the quality expectations of families is directly influenced by...the ability the family has to participate in and influence the kind of care and developmental experiences the child will have, and the extent to which the service provider is accountable to the parent."

Non-profit centres have greater potential for maximum family involvement. The structures, such as parent boards of directors, ensure that parents have input and participation in running the program.

We urge the committee to use this opportunity to develop proposals which will ensure a non-profit child care system in Ontario. Specifically, we encourage:

1. that direct salary and operating grants be provided only to non-profit day care centres;

2. that increased capital and start-up grants be provided to develop new non-profit day care centres;
3. that community development funds be allocated to assist groups in the development of non-profit day care programs; and
4. that a program be instituted to assist commercial programs in their conversion to non-profit status.

Okay. At this point I would like to again introduce Tess Ayles. She is going to speak to you about the whole issue of parent involvement in day care.

Mr. Chairman: Thank you.

Ms. Ayles: Actually the end of what Chris was just reading really leads in nicely to what I was going to say.

I began by asking parents whether they would be interested in supporting day care, and these were parents who were not necessarily in day care at the moment, and what their major concerns were, and the kind of questions I was asked are: Are children enrolled in day care being deprived of proper relationships with their parents? How are the child's attachment relationships being affected, for example, bonding? Are day care children appropriately independent and more socially competent than children raised at home? Are day care children generally more physically or verbally aggressive, less co-operative and have lower tolerance for frustration than their home care counterparts?

I think that this issue has been talked about and reported on in the research done in the past years; the Katie Cooke Report, the Task Force that Chris mentioned, and I think that we have to support non-profit care in order to make sure that our children are properly cared for. I think that there is a lot of research to prove that there must be small numbers, that there must be high parental involvement in the day care centres, that the parents must feel like a part of the care system that is taking place.

I have no doubt at all that if you interview any people running commercial centres the very first thing they will say is they want control, and that is the reason they are not in a non-profit centre but they are in a commercial centre, they want control of the centre, they do not want the parents interfering and telling them how to run their centre but, for the health of children, parents must be involved in the centre, they must be telling people how to run the centre, they must be concerned about the food that is fed to the children, the hours that the centre is open, the type of staff they have in the centre. They must be

involved in selecting the supervisor so that they get someone that knows what their philosophy is about child care and has an interest in it. This will not happen in commercial centres.

I think the other point I want to make is that the staff must be properly paid and that parents must have a responsibility in making sure that staff are properly paid and they must be aware of the salaries that the staff are receiving. And that will not happen in the commercial centre because the commercial centre is owned by an individual and the individual takes the responsibility for the staffing of the centre.

So that is what I wanted to say about the parental involvement in non-profit centres and the reason for supporting non-profit centres.

Ms. Judge: Okay. Now, Janet Cioffe will talk to you about some of her experiences when she worked in a profit-making centre.

Ms. Cioffe: Hi. I have worked in a profit-making centre four years ago for one year and profit-making day care centres' operators make a profit by cutting quality care for our children and this is done by cutting costs of food.

In our day care centre that I worked at there was lack of nutritious foods: There was more or less junk food served for snacks which consists of cookies and potatoe chips and odds and ends like that, and there was inadequate servings which were only two slices of apples each, a little piece of cake and no seconds. And the cook was only there for two hours and she would only cook the main lunch. That again is low wages, they can only hire a cook for a short amount of time.

And the supplies: The equipment was inappropriate for the age groups. Most of the equipment they had was broken and used, second-hand toys, and there was no money for supplies or going for field trips or going for walks with the children.

And in profit-making centres, the staff has a high turnover and there is hardly any qualifications in E.C.E. In most cases the only person that has an E.C.E. is the supervisor in the profit-making centres. And the ratio was, in the toddler room there was one staff for a room of 13 toddlers and the wages were 10,000 a year with no benefits and you get 2 weeks' holidays after a year.

For child care reasons there was no program in the centre, you just did whatever you felt like doing that day. There was no philosophy. They had no accident reports done

for children. If a child banged his head or got cut with an object...

Mr. Chairman: Sorry, I did not catch that. What did you say?

Ms. Cioffe: There was no accident reports in the day care that I worked at, where non-profit there is always records that you fill out. If the child banged his head and got hurt you always filled it out for the parents to see, but in the profit-making centres that did not exist. If he had a bump on his head and the parent could not see it, then it was a quiet issue.

And the equipment: It was a very small playground with only a slide in it. Outside toys were not taken out because they would get broken or they would be badly treated by the children, so they would be kept inside and when the day care inspectors came by the staff were told two weeks ahead of time so they would clean up the toys and clean up the rooms and put all the new toys out for the inspectors to see.

And in administration: The supervisor had one enrollment book for the inspectors so it would all go up to standards and have the right ratio, but they had their own books aside for their own purposes. They had two enrollment books, where in non-profit centres they have only one enrollment book for each room and there was quite a high parent fee for very low quality care for the children.

And I want to say that menu-wise-- sorry, the profit-making centre: They had a rub off board with the menu. If the parents came in they will see an adequate serving and adequate nutritious lunch, but as soon as the parents left it was rubbed off and put beans, something really low nutritiously, where non-profit day care centres we have a menu set every day with the quality of foods that are typed up and they cannot be erased.

My next point in non-profit is that there is parent involvement in non-profit care where profit-making care centres parents do not know who gets hired, who does not get hired, who has their E.C.E., what are the fees like and in non-profit day care there is a high ratio of parent involvement. That is it.

Mr. Chairman: Any further presenters?

Ms. Judge: Yes, we do. In fact, we have a parent who was planning to come today to speak to you about her experiences having her child in a profit-making centre. Unfortunately at her work place someone else became ill and she could not get the time off, however, she quickly wrote up a brief that we would like to present to you on her

behalf and I would like to introduce Irene Gabinet. She will present it to you on her behalf.

Mr. Chairman: Just come forward and speak into the microphone and identify yourself before you start to speak.

Ms. Gabinet: My name is Irene Gabinet and I am reading this on behalf of Mary Baldwin. I am going to read it in the first person because that is how it is written.

"My name is Mary Baldwin. I live at 2999 Jane Street, which is south of Finch in North York. I have two children, 7 and 3 years of age. I wanted to speak to you in person today about my day care experiences, but due to illness at work I could not get away.

When my daughter (who is now 7 years old) was 15 months old, I enrolled her in a profit-making day care in the Jane-Finch area. From outer appearances the day care seemed fine. But when I took the time to look around, things were not exactly as they seemed. I found that the number of toys were inadequate or broken, the rooms were not properly cleaned, they were only swept not washed.

I tried to meet the owners a number of times but was not able to. The supervisor there was very good but she had to follow the policies of the owners.

I started to work as a day care assistant at one of their day care centres. These owners own three day care centres, two in the Jane-Finch area and one in the Finch-Weston area. I worked at one centre for four months (the one my daughter was in) and another centre for one year. I figured that if I worked at one of their day care centres I would be able to make sure the day care was better.

I saw a number of problems. When teachers asked for money for field trips for the kids or for supplies they were often turned down. The owners would say that there was not money and we had to make do with what we had.

Somehow the owners knew when the province would be inspecting. They would tell us a week ahead of time to clean toys, move toys and furniture from one of the other day care centres and do minor repairs.

I had some concerns about the food. One day while I was working there, I went into the kitchen and the cook had burnt the tomato soup. We wanted to throw it out but she had to call for authorization from the owners first. The cook was told to take out the lumps and burnt pieces and serve it to the kids. The staff tasted it and it tasted terrible. We had to give the kids this soup as there was no other food in the day care.

There was very little fresh fruit or milk served. If milk or juices were served they were powdered.

We lost a lot a good teachers because of the day care policies. There was overcrowding in the classroom. For example, my daughter, at 18 months, was in a room with one E.C.E. teacher and one assistant looking after 20 children. (The ratio is supposed to be 5 to 1 for toddlers). This teacher quit because she was frustrated that the owners would not provide adequate staffing.

I was working in the 2 1/2 year old to 5 year old room. One E.C.E. teacher and myself were supposed to supervise 25 children which was too many according to regulations. (The regulations are one staff to eight children).

I kept my child in the day care because there was no other day care spaces available. All the day cares in my area were owned by the same people. It was a Catch 22 situation; I needed day care and profit-making care was the only day care available.

I took my daughter out and stopped working at the day care in 1982. I had had enough. I decided to stay home.

When I decided to return to work in January, 1987 I again looked for day care. I had been approved for subsidy in the spring of 1986 and it did not come through until the second week of February, 1987. Now my son, who is three years old, is in a non-profit day care in the Jane-Finch area. The difference is like night and day. There is more than adequate staffing. They care about the children and are willing to talk to parents at any time. You can get involved. This month I started to sit on the day care's Board of Directors. We are having a fund-raising drive so we can raise money to do more things for the children.

In my opinion and through my past and present experience, if parents have a choice between profit or non-profit day care, I feel they should use non-profit day care.

I would prefer that my tax dollars go to non-profit care where I know they are getting the best care. I do not want my tax money to go into someone's pocket to make a profit."

And she has left her home number and her work number if you have any further questions so you can reach her.

Mr. Chairman: Thank you very much.

Are there further presenters?

Ms. Judge: Yes, we have one more. Trisha Keyes-Bevan is the supervisor of Start Right Child Care Centre in North York.

Ms. Keyes-Bevan: Hello. As mentioned, my name is Trisha Keyes-Bevan and I am a supervisor of a non-profit community-based child care centre in North York. We are located in a high school and our client group are student parents returning to school to complete their education.

I would like to talk a little bit about my first working experience in early childhood education. One of the first jobs I had was in a commercial centre. The working conditions were not that fantastic. Our working hours per day were longer, we had to work an 8 1/2 hour day as opposed to other people's normal 8 hour day. There was a very high turnover of staff because the salaries were very low and also we had a large number of children with special needs, special education children. There were not appropriate numbers of qualified staff to deal with the programming for those children and so that added to our frustration of having large numbers of children to work with under difficult working conditions.

In my role as supervisor at Start Right, we have, as I mentioned, a non-profit program. I am responsible for the overall administration, that includes preparing the budget. From my work on that, I cannot see how there can be any money left over for profit-making centres. Our staff are paid well enough but could be paid a lot better in this day and age. I think overall, early childhood education teachers should be earning more.

The staff turnover at our centre has been very, very low. One person left because she chose a career working with computers. That was her reason for leaving.

We have a Board of Directors and our parents are members of that Board. They are actively involved in the decision-making of the centre because also our parents are on site at the school. They can come in and be in the centre whenever they wish, they can spend time talking with the teachers, they make decisions around what they feel is appropriate for their children at our centre. That does not happen in a commercial centre. There is the owner, then the supervisor and then the parents are at the bottom of the heap in terms of importance.

And I would also just like to say, from my own personal experience, I am also a parent who has a child in a non-profit day care centre and philosophically I would be opposed to the fact of knowing that my fees for my child and his care were going into a profit-making centre. I would like to know that all of the money that is being generated in that centre is going to staffing and appropriate programming for the children in the setting.

Thank you.

Mr. Chairman: Are there further presenters?

Ms. Judge: No.

Mr. Chairman: We are going to give the members an opportunity to ask questions. So far I only have one person who has raised their hand, Mr. Mitchell.

Any other members interested? Mr. Jackson, Mr. Cordiano, Mr. Sheppard, Mr. Johnston.

Mr. Chairman: Did you wish to ask questions of some of the presenters that were there before or...

Mr. Mitchell: I am satisfied for any one of the group to answer the questions, certainly the ones I am going to ask, Mr. Chairman.

Mr. Chairman: All right.

Mr. Sheppard: They are all with the one...?

Mr. Chairman: I beg your pardon?

Mr. Mitchell: They are all with the same...

Mr. Chairman: Before you came in there were a number of other people that spoke and I wanted to make certain that if questions are going to be asked, they may have specific people that wish to answer them.

Mr. Mitchell: Well, how they choose to answer or who they would like to answer is quite acceptable to me.

First off, I have some difficulty with some of the comments made by the lady who spoke last and the person who wrote the letter about her experience working in a for-profit day care facility, but I would like to start with a couple of questions.

Am I wrong but the for-profit day care centres where they have or are providing subsidized positions, are they not required to follow provincial guidelines as to food and so on?

Ms. Judge: Yes, they are, if they have what is called a purchase of service agreement.

Mr. Mitchell: Purchase of service agreement, yes.

Ms. Judge: Then they do have to follow certain guidelines. It has been our experience that they sometimes have a very interesting way of getting around those guidelines and that is part of the reason why we wanted to bring people to talk to you today who have had that kind of experience.

Mr. Mitchell: Okay. Well then, my problem comes basically from this comment, and I refer to the one comment where it was stated: "I kept my child in day care because there were no other day care spaces available. It was a Catch 22 situation."

And all right, that I can perhaps understand, that there may be some shortage of day care positions, but does that remove the responsibility then of that person who was working in that centre, if there was that kind of problem, if they were serving that kind of food to the youngsters, to not blow the whistle?

I mean I have to ask: Why is it people are able to sit in front of this committee and say this for-profit centre was this bad and this one was this bad and yet nobody has provided to us, at least certainly not to me as a committee member, a report where that centre was pulled up short and I have to say: Why is this not done?

Mr. Chairman: Mr. Mitchell, the question you were asking deals with Mary Baldwin's comment and she is not here.

Mr. Mitchell: No, this young lady also made a similar type of comment.

Ms. Keyes-Bevan: I will address that. We are all aware that there is a great shortage of licensed child care spaces for children in this province and, for instance, that particular parent, she did not have a choice of putting her

child anywhere else.

And also, a number of parents, if they are on subsidy and purchase of service agreement, they are scared to speak out and say this is it what is happening in the centre because, first of all, they are scared that they will lose their space and then what do they do. If the child has to go into an unsupervised home, they have absolutely no idea what type of care the child is going to get.

Ms. Ayles: I think that question also points out exactly why we should be supporting non-profit centres because parents need other parents to help and support them so that together they would have the courage to go and talk to the supervisors or the Board of Directors, be on the Board of Directors.

Mr. Mitchell: I understand the fear you are talking about. I am not downplaying that at all, but I feel if they are all that bad there comes a point when somebody has got to say something.

Ms. Ayles: We are saying something.

Mr. Mitchell: You are saying that here, but I am talking about the people...

Ms. Ayles: Well, here is the place to say it.

Mr. Mitchell: No, no.

Ms. Judge: And we also have said it in other settings.

Mr. Mitchell: I am sorry, by this time, if in fact this person or you did not say anything about the operation of this centre, a child could have been in danger. That is my point.

Ms. Ayles: But we have been to committee meetings. I mean, since 1971 I have been going to committee meetings saying these kinds of things.

Mr. Mitchell: This committee is frankly not the place. I understand why you are referring it to us because we are dealing with how day care should be funded.

What I am saying is; somebody has to blow the whistle at the time to make sure that those people that are working on a purchase of service are, in fact, pulled up short and, in fact, their licence taken away from them if they are that bad.

Listen, I accept the fact that day care is a necessity, but I have to say, I find some difficulty when

people will say to me: I worked in this environment and this is it what was happening. Where did they report that? And you are expressing the fact that they are afraid.

Ms. Keyes-Bevan: Okay. I would also like to point out that I worked at the particular setting that I am talking about. I worked there for about four or five months and I found it very, very frustrating. It was very stressful and when I approached the owners and said that, you know, are there possibilities of making some changes-- we were left sitting in our lunch periods with children, to look after them. As I mentioned, we had long hours.

They said, oh you know, we will see what we can do about it. And so finally I could not take it any more and so I said: I am leaving, that I am looking for a position elsewhere. And they said: Well, I am awfully sorry that you are the one-- they suggested that I was the one that was incompetent and could not cope with their setting and it was really unfortunate that I was leaving.

Ms. Ayles: I have a staff who reported...

Mr. Chairman: Excuse me. I do not want any members to be asking the names of these places.

Mr. Mitchell: Oh, I had no intention.

Ms. Keyes-Bevan: No, I did not say any names.

Mr. Chairman: Because I have to warn the people presenting that if they do give the names you do not have any protection other than the truth.

Ms. Keyes-Bevan: I did not give the name.

Ms. Ayles: Well, I have a staff...

Mr. Mitchell: Mr. Chairman, I had no intention of putting...

Ms. Ayles: I have a staff who is working for me right now who did report the commercial day care centre she was working in and was told at six o'clock that night that she was no longer welcome in that centre. She had to get a police escort to go back into the centre the next day to get all the books and equipment and toys that she herself had taken to the centre so that she could get those out of the centre because she was barred from entering that centre again and that centre is actually still under investigation.

But it is a frightening experience for a staff or a parent to report difficulties in a centre.

Mr. Mitchell: As I say, I am not downplaying it. My

concern is what could have happened if that place was not reported.

Ms. Judge: I am glad to hear you say that you are concerned like we are. Actually one other member of our Coalition would just like to speak to your question.

Mr. Mitchell: Certainly.

Ms. Judge: This is June Hall from Umbrella Day Care Centre.

Mr. Mitchell: I think she should give her name into the microphone.

Mr. Chairman: If she could come over and identify herself and speak into a mike.

Ms. Hall: Okay. My name is June Hall and I am the Executive Director of Umbrella Central Day Care Services, which is an association of 190 non-profit day care programs across Metro Toronto.

And concerning the question you just raised around reporting incidents in day care: My first job was in a commercial centre where I had the opportunity to get involved in an incident that happened with a group of children that I was having a circle with. One of the children was known to act up. That child was taken from the circle, out of the room by the owner "operator" of the centre. That child returned spitting.

By that time my circle was totally gone, the kids had lost their concentration and I did not know what had gone on until one of the children had said: Oh, so and so got his mouth washed out with soap again.

And I at that point was feeling very angry that something like that could happen and actually did happen. At that point in time I expressed my concerns to the owner "operator" of the centre for what had happened. I then left the centre and informed them that I would not be back and I also reported them to the Provincial Inspector, to say this was happening and you need to go in there and do something about it. And to this day that centre is still there and it is still operating.

Mr. Mitchell: Thank you.

I find some of the comments-- you know, I find them sad that, as I say, I am concerned about what could happen with the immediate situation.

May we leave that. I would like to follow another or put another question to you. This committee, in dealing

with nursing homes a while back, dealt with the issue of a Board made up of people in seniors' nursing homes or their representatives who would, in fact, basically become involved in the day-to-day operation of that centre in that they would know what was going on and so on and would be able to convey either their own or the patients' concerns.

Do you see that as not possible, or do you see that as maybe a possibility in the case of for-profit day care centres?

I mean, one of the comments you were making was with regard to the non-profit where they have a Board of Directors who are totally involved in the operation. Do you think we could apply what we have done with nursing homes into the day care field, in the for-profit ones?

Ms. Ayles: I can answer that...

Ms. Judge: Okay, you want to answer that. All right.

Ms. Ayles: ...because I have written a manual on starting up day care centres. I often get called by people wanting to start up for-profit day care centres and asking if there is any way that they can, you know, get funding somehow and the first thing that I say to them is: You must set up a Board and it must be of people who are not in your direct family and that must serve without remuneration.

And the first thing that they say is: No, it is impossible. We want control, we do not want other people telling us how to run our centre. We just do not want that to happen. We do not want parents coming in and messing around with the way we are looking after the kids.

And I say: Well, you know, how about even discussing things like menu and program and philosophy. No, it takes too much trouble, you cannot get parents to agree, you cannot get parents to say the same thing, you cannot get a consensus, that sort of thing. Honest to God, that is their attitude.

Mr. Mitchell: Well, one final comment and one final question. But I am sure you would agree that not all for-profit day care centres are bad?

I happen to have a number of "for-profit" ones, I guess that is the way they would have to be identified, in my particular area that I visit and have been in and found them-- and I have gone when they have not been expecting me-- and I found them very well run.

Ms. Ayles: I do not think bad or good is exactly the issue so much as there is so much support for the research that says that children need their parents involved in their

daily lives. I mean, the whole reason that the present system was set up was because the research says the parents must be involved in their children's lives and ideally they will be involved in their children's lives by having their children at home with them and that day care is the next best thing, but only if the parents are still involved, only if the parents see their philosophies reflected, their eating habits, you know, the kinds of things they want to happen to their children.

And I think that that happens in non-profit and co-operative centres because the parents are involved and because the parents have input into that happening; and it does not happen in commercial centres because the commercial centres are set up with already something in mind, just like a store is. We are the Zeller's Store and this is what we serve. We are the Mini-schools and this is what we serve. And that is where the problem is.

Mr. Mitchell: I gather then from what you are saying then-- would it be correct to interpret what you are saying is that, in fact, then the best day care would be the co-operative type where the parent provides so much of the care each week on a given schedule?

Ms. Ayles: I think so.

Mr. Mitchell: One final comment. There was a final question that I said I was going to ask. You used the comment "universally accessible" in the first paragraph of your statement.

Have you done any estimates of cost as to what the cost would be for a universal day care program and where do you think that the money is going to come from all of a sudden when there are the demands for health care and this care and that sort of care?

Ms. Judge: I am not sure that anyone has a dollar figure on the amount of money that it will cost. I think that the reason why we talk in terms of a universally accessible system is that we feel that day care is on the brink of expanding, everyone is talking right now about the need for more day care. It has to expand. We want to see it expand in the best possible way so that it is a high quality, non-profit system.

It is up to you folks to find out where the money is going to come from. I can give you some really good ideas, but you may not agree with me.

Mr. Mitchell: Well, let me suggest to you, as I did to a group last week, that there are a group of people-- there is a certain constituency of people out on the street today who are getting very annoyed at the amount that their

taxes are going up, they are extremely annoyed the way education costs have risen for them who have no children in the educational system, and I have had them say to me: Why should I be paying when I have no children, when I have no children in school and no children here, why should I be paying to keep someone else's children in day care? How do you answer to those people?

Ms. Judge: Do they say the same thing about the educational system? Why is there, you know, some magical age of five or six where it is okay?

Mr. Mitchell: No, to be fair, they are grumbling about the whole thing, both the educational system and they are...

Ms. Ayles: But are they a part of society we are going to suffocate? They are a part of society.

Mr. Chairman: Just a second, this is carrying it a little too far. Mr. Mitchell, you ask a question and get the answer and vice versa.

Mr. Mitchell: Yes, sir.

Ms. Ayles: Sorry.

Mr. Mitchell: Go ahead, I am sorry.

Ms. Keyes-Bevan: I was just going to say, philosophically, our children are our future generation, our future politicians who will be representing us here at Queen's Park and I think that if we do not look at them and give them the best advantage that they can have-- I mean, there are reasons, I cannot quote you right now, but where kids have been in inappropriate child care situations that ultimately they are the ones who do end up needing more-- or ending up in correctional systems and things like that.

Ms. Ayles: Also those people are all part of our society and do they want all of those people walking around with no education and no ability to work and no ability to bring in tax money when they are on old age pensions and so on?

Mr. Mitchell: I keep hearing rumblings in some ridings of a proposition, of a form of Proposition 13.

Anyway, thank you for answering the questions so readily.

Ms. Judge: You are very welcome.

From the Floor: We are not the United States, yet.

Mr. Chairman: Mr. Jackson?

Mr. Jackson: Thank you. I am interested in your recommendations. This recommendation number 4 talks about a program be instituted to assist commercial programs in their conversion.

Can you flush that out for me a little better? Is there some thoughts that you have beyond that? I mean, it is a new concept that is being-- it is not a new concept, but it is new as it is being advanced.

I am going to ask you another question about your recommendation 1 where some groups have indicated that they be funded for a minimum of three years and then after the third year that is it, and that is the only other time this committee has dealt with this concept of conversion and whether we can develop a system by which there will be sufficient incentive and motivators in order to convert, which is the word you used.

Ms. Judge: Right. Actually we have someone else from our committee who would like to speak to that in particular. She has been dealing with that whole issue.

Mr. Jackson: Your conversion specialist.

Ms. Judge: Our conversion specialist, yes.

Mr. Chairman: Perhaps you could sit down there in the aisle with Mr. Johnston.

Mr. Jackson: And identify yourself for Hansard.

Ms. Lampert: Yes. My name is Barbara Lampert and I am not really here officially. I work for the Toronto Board of Education. I just dropped in because I am a member of the Day Care Coalition, but I can answer that question, just in the factual way.

I am a day care consultant for the east end of Toronto and I work with about 35 day care centres in that area that are all in schools and I do get a number of telephone calls from people who wish to go into schools and operate day care centres but the Toronto Board has a policy of only non-profit day care centres in its schools.

I have gotten several phone calls from commercial operators who ask if they can go into the school and after I explain our policy to them, some of them have expressed interest in converting over to a non-profit organization. Space is at a premium and they are very interested in getting school space.

So I have made several inquiries to the Ministry of

Community and Social Services to find out if there is an incentive plan, because as you can imagine, a group would have to purchase the organization and there is quite a bit of equity tied up in there and I made about four or five phone calls and got put off from one person-- not put off but I got referred from one person to another at the Ministry.

Mr. Chairman: You got put off.

Ms. Lampert: No, everyone was very, very interested. I was not put off. The Ministry people were very interested, they were very concerned. They thought it was a very, very good idea and that something should be done, but nothing, there is nothing at the moment to allow that to happen.

I was also part of a very ad hoc group of people who were interested in forming a non-profit organization and buying a profit-making day care centre when it was up for sale, but the costs were so prohibitive that there was no way we could raise that money in order to purchase the day care centre.

So we would very much like the Ministry of Community and Social Services to set up some sort of incentive plan because I think that some small day care operations might be willing to convert over to be non-profit and those are the day cares that really are not making very much money anyways and would like to benefit from some of the grants and incentives that the government has for non-profit. So if there could some sort of recommendation to that effect, that would be very helpful.

Mr. Jackson: Barbara, I appreciate that input. It would be unfair for us to proceed in a lot of questioning beyond that, but really it opens several other questions, for example, how would we differentiate between - I do not want you to answer this because they are unfair - but how would we differentiate between which operators would want to convert and we could afford to?

I mean, if one read the wind, -as it were, and commercial operations are on the outs, then one would say: Well, I can get a good book figure for my operation, I would want to get out of it and get the government to buy it. I mean, it is the similar problem we have with nursing homes, even with private ambulance services. It is not just simply the money to pay for it, but we know we cannot afford to buy all of them out, so we have to come up with some sort of criteria based on community need or space availability or something, but I would not want you to speculate on that.

Mr. Chairman: Well, perhaps we should ask her to speculate, maybe she has something.

Ms. Lampert: Well, as I am not here officially from the Toronto Board of Education I really would not want to say anything other than just simply the fact that I have looked into it and that was the answer, but there are always ways.

Mr. Jackson: Mr. Chairman, are we going to be hearing from the Toronto Board?

Mr. Chairman: No, they are not on the list.

Mr. Jackson: They are not on the list.

Mr. Cordiano: They would be interesting because of their policy.

Mr. Chairman: If the committee would like we can have the clerk contact them.

Mr. Jackson: I would appreciate learning more. I mean, the ten years I was a school trustee we brought in our first, we called them a lab, where we brought them into our high schools as part of an experience program and they were very successful, but they were the only type of non-profit we could get started in our community. We just cannot-- no one will - even Toronto, I am from Burlington - but we cannot even get the Toronto YMCA to come down and operate our non-profit programs.

Ms. Ayles: You have not talked to Umbrella yet.

Ms. Keyes-Bevan: Are you from Halton?

Mr. Jackson: No, Burlington particularly. Our problem is that we have got two commercial operations there that all the other organizations say they cannot match for program purposes. It is probably as unique and exceptional a commercial operation as the other extreme that we heard about from Janet Cioffe. But, I mean, they are doing kinder gym and French language and they are doing modified menus for family preference.

Ms. Ayles: Well, that is nice.

Ms. Keyes-Bevan: It is good to hear.

Ms. Judge: Yes. But what do they pay their staff, though?

Mr. Jackson: Staff do very well but, however, I do not need to-- it is just that there is a certain balance to that argument.

We can go to recommendation 1, that direct salary and

operating grants be provided only to non-profit day care centres.

We had a recommendation here from a commercial operation that, in fact, had applied for a program that was sponsored by the Metro Separate-- or one of the Metro School Boards and they beat out, I think it was 14 other applications, and several of those were not for-profit, and when we focussed him in on this question he said he would be more than pleased to pass on additional grant moneys in the form of salaries directly to the wage supplements. He felt that he could still be a viable operation in that regard, still provide a necessary service.

What are your thoughts on that if the sort of wage parity elements were met or achieved? Have you thought about that kind of a model for us to consider where the grants are tied more directly to staffing and salary levels?

Ms. Judge: Well, I still question that. Our position is that public moneys should not go to profit-making centres.

I was a supervisor of a fairly large centre for three years and did the budget and I cannot see how any one can make a profit and not cut back on program costs somehow. If they are not cutting back on salaries, they are cutting back on other areas.

In a non-profit situation even when we received a salary grant from the City of Toronto, we still did not have enough money to have the kind of facilities that we would really like to in, you know, an ideal situation.

So I really cannot believe that any one could run a high quality program and still be able to make a profit at the same time. It does not seem possible to me, knowing how budgets work.

Mr. Jackson: Okay. Well, I am listening and I will accept what you are stating, but I guess what I am driving at is that...

Ms. Ayles: I think what-- sorry.

Mr. Jackson: ... if we are going to go through the process-- we are in a negotiating process here with a Government program and a philosophy and are we going to convert totally to not-for-profit?

Well, we know that that is just not going to happen because the government cannot agree on setting priorities: Whether we do this with nursing homes, whether we do it in other health-related fields, or whether we do it in the educational field which is the one we are in right now with

the child care.

So, you know, you may be advancing your philosophical arguments for the next ten years.

Ms. Ayles: For 12 years now.

Mr. Jackson: But I do not think I am telling you anything...

Mr. Chairman: Mr. Jackson, were you speaking for the former government-- was that the policy you were putting forward of the former government, because we are not all aware of it.

Mr. Jackson: Well, if by your question, Mr. Chairman, you have some announcement that you are going to drive...

Mr. Chairman: No, I just wanted to be clear.

Mr. Jackson: ...forcefully in that area for the elimination of commercial operations, we would be pleased to listen to it.

Mr. Johnston: It sounds as if the Liberals have not changed their policy, does it not?

Mr. Jackson: Sounds like that to me.

Mr. Chairman: I just wanted Mr. Jackson to clarify which government he was talking about.

Mr. Jackson: I have not seen any difference so far.

Mr. Chairman: Go ahead.

Mr. Johnston: Me neither.

Mr. Chairman: Well, we have heard your comments, Richard.

Ms. Ayles: Can I just make one comment to what you were saying. You were suggesting parity, that these grants would create a parity between commercial and non-profit centres? Am I misunderstanding what you are saying?

Like, right at the moment, if you study commercial centres and non-profit centres, the wages in commercial centres are 30 to 50 per cent lower.

Mr. Jackson: I think that generally the committee accepts that even though we have not had a lot of data, we have had sufficient data.

Ms. Ayles: So if you are going to pour government

money into commercial centres, you are looking at pouring in 30 to 50 per cent more money in order to even bring them up to parity and then beyond that.

Mr. Jackson: Well, I do not know as if I could accept that.

Ms. Keyes-Bevan: Well, that is what we are saying.

Ms. Ayles: Well, that is what we are trying to say.

Ms. Keyes-Bevan: ...equal amounts of money going to the for-profit are not going to-- you still have got a gap.

Mr. Johnston: You have got to think about it as an oil company, they need help, they need a few million.

Mr. Chairman: Well, I have to bring us back to the item that Hansard can only record one voice at one time. I know we can forget that when we get exuberant, okay.

Mr. Jackson: Okay. Well, you see what I am trying to get a feel for and that is the concept of the-- I do not believe that the government or the public can make a quantum leap to the philosophy which you are suggesting.

If we assume that for a moment, I am anxious to have you assist us with looking at a series of options which are going to be presented to this committee and, therefore, I want the benefit of your input on them, and that is why I am asking the question about the three year capping.

I would like to get some feedback from you on that, and I guess I have got a sense of your position or your feelings on the issue of having the regulations address more staffing and dollars and tying it to ensure the equity argument or equity is achieved between the two systems. Can I get some...

Ms. Ayles: I suppose one of my personal fears would be that if you start putting salary and operating money into a commercial centre, then the commercial centre can turn around and, yes, use the grant money towards the salaries, but then take other money that might have otherwise had to go towards salaries and use it in other ways.

So although, directly speaking, the grant money would go to the salaries, because they are there to make a profit, just like any other, you know, profit organization is. They are not there to serve the kids. They do not have a parent board, they do not have a group of people overseeing them and making sure that the kids come first and they are there because they have gone into a business and their business happens to be kids and so the kids sort of come second to the profit of the business.

I mean, that is what they have chosen to do. And so I cannot see that by giving them money it is any different from, say, giving a clothing store money or giving, you know, a drugstore money because they are a profit organization.

And so even if the grant money is guaranteed to go straight to the staff, then that just means that they have got more money in another form to go into their pockets and I think that that is part of our philosophical difficulty with giving commercial centres money.

Mr. Jackson: Okay. Well, I do not wish to argue that point because you make a convincing argument in that regard. I am merely trying to point out that when you have got a commercial activity which is sitting on a quarter of a million dollar asset which forms part of the base of the business, sometimes the government says, instead of us buying out and paying the operator off his quarter of a million dollars, that it is far cheaper, over the long-run, to fund the differential so that the salaries are protected.

That is why I cannot accept the simplistic argument that just putting the dollars in because the base asset-- your recommendation 2 and 3 deals extensively with development funds and that is where the major crack of the dollars goes to making sure that you have the bricks and mortars and equipment and the services.

Now, my final question, because I have been fortunate to have a fair chunk of time, is to do with the concept of School Boards. We have a variety of responses from the 52 or so significant School Boards in the Province of Ontario. I am sure we have 20 different...

Ms. Ayles: Models.

Mr. Jackson: Exactly. Do you feel that the government should be looking more towards the Ministry of Education with respect to access to schools in terms of priority? You know there is announcement by the government that they are not allowing School Boards to use non-endorsed programs - these programs are not endorsed or part of the education programs - but they can go in and say that that school may be redundant because it is an inappropriate use of that school, that it should be freed up and under Bill 30 it may be exchanged with another School Board. This is looming as a significant problem. I think you understand that.

Ms. Ayles: I have heard it, yes.

Mr. Jackson: And I have always wondered what we should be doing, as a government, with respect to ensuring

that we establish a community priority for the effective use of that space and I was pleased...

Ms. Ayles: Barbara Lampert.

Mr. Jackson: Barbara. It would be unfair to ask her that question since that is her employer, but you could put some valuable comments into Hansard for us with respect to the whole general area I am introducing now because it is one that I had experience with as a trustee.

It frustrated me with convincing my School Board to go that route and there has been freezes and moratoriums on these kinds of activities because I sense there is no direction from the government to endorse it or say that we are about to bring it into a specific umbrella.

Ms. Ayles: Do you want me to go ahead?

Mr. Jackson: You can all take a crack at it.

Ms. Ayles: Go for it, first.

Ms. Judge: The centre that I worked in previously was in a school in the Toronto Board system and I think that the model that the Toronto Board has is a very good one. We certainly had a very good working relationship with the Board. We were able to use a lot of their facilities and received a lot of support from them and, of course, they believe in having non-profit centres within their system, and I would certainly like to see that happen more in the other Boards of Education.

Within our school there was a very good liaison between the day care and the school itself where we would talk a lot with the teachers about specific children and we recognized that the whole day for the child was very important and we tried to build a lot of links between the teachers and the day care staff in the school, and I think it worked very well, and I think it should be encouraged, yes.

Ms. Ayles: I worked both in North York schools where they have set up - I think you are probably familiar with the centres they have been setting up - over the last two years and in Scarborough schools as a supervisor in day care and as a liaison person between the School Boards and the individual schools and also I have run some workshops for principals in North York. Scarborough is a very different situation.

I think the first question that has to be asked the Ministry of Education is why there is a public responsibility for children over four and not under four. And I think that the schools need to look at what their

involvement in the community is and, you know, why basically they do not look at the needs of children in the community.

I know for a fact that the day cares-- we fought very hard to have day cares in schools in Scarborough. We had to change zoning, we had to change fire laws, all kinds of things and I know for a fact that the reason that the schools were opened up to the children was because of their declining enrollment, because people were going to schools where they were having their needs met, where they were-- you know, the schools are more receptive and more parent oriented and I think that probably it is an argument to all School Boards that nowadays we have more aware, better educated parents who do not just want to take their kids to the school and leave them there and, you know, who do want to be interest and involved and very often the beginnings of that involvement is through some sort of a day care or parent drop-in or, you know, programs that are aimed for the smaller children.

And I think that they just should be challenged with the fact that schools, you know, are part of the community and they are needed and they are better designed for children. I do not even understand why we have to pay rent because they are built by the taxpayer. Why are we paying rent on top of it. Those are the same people that are paying the taxes.

Mr. Jackson: Well, when you hear the final arguments you hear this notion of a parallel educational system. Would you be comfortable with bringing the day care programs under the umbrella of the elementary panel so that you avoid the duplication, trustee responsibility so that they are publicly elected?

You still have what you referred to as high level community and parent involvement which you now have in kindergarten and primary junior programs particularly, but that would be a reverse of autonomy which are currently enjoyed in non-profit centres.

What are your thoughts on that, because if you are going to pursue that avenue, you are going to explore that as a government policy and that is one of the clear consequences of the policy. What are your thoughts on that?

Ms. Ayles: Want to go first?

Ms. Judge: Well, first of all, I do not think that the Coalition has a policy on this whole issue, as far as I know, around exactly what umbrella day care should come under. That certainly has been-- we have discussed, you know, day care being under the Ministry of Education, we also have talked about a new Ministry of Early Childhood Education and some of our discussions-- what a lot of people

have said is: I do not care what Ministry it is, it could be the Ministry of Agriculture so long as we get enough money it is all right.

Mr. Jackson: Well, at least they will be fed right. As food matters, that is a good item.

Ms. Judge: I think there are a lot of concerns that have to be looked at and one is parental involvement. I think there are a lot of parents of school-aged children who would say that are not able to have enough involvement into the type of program that happens for their children in a public school, and I certainly would not want to see day care losing the model that we have right now for parental involvement. That would be very major concern of mine.

Ms. Ayles: Are you finished?

Ms. Keyes-Bevan: I also-- can I just comment?

Ms. Ayles: Go ahead.

Ms. Keyes-Bevan: In terms of qualifications, I would not like to see - because of what is happening in certain school systems where there is declining enrollment and teachers are being bumped - I would not feel that it was appropriate for a geography or a history teacher from grade 7 or 8 because they had seniority would be responsible for the very young children because I think it is really key that if you are going to move towards that model that the staff have a solid background in early childhood education.

Mr. Jackson: There is a program protection in most of the School Board contracts. It is not a foreign concept, so it would work.

Ms. Keyes-Bevan: Yes.

Mr. Chairman: Mr. Jackson, I have two more questioners and we are moving on, it is getting later. I would like to have an opportunity...

Mr. Jackson: It is their fault for being so good, Mr. Chairman, for being on so long.

Mr. Chairman: They are welcome to come back if we have additional time.

Mr. Jackson: Thank you, you have been most helpful.

Ms. Ayles: Sorry, can I just answer that question very, very briefly. Laurier LaPierre headed up a research group that went around to all the schools and wrote To Herald a Child and there is a whole report in To Herald a Child addressing exactly that issue you just brought up,

very nicely put together with rights of the child and the whole early childhood education model and everything in it if you really-- well written too, if you want to look at it.

Mr. Jackson: I would like to get a copy of that.

Mr. Chairman: Can we get a copy of that?

Ms. Ayles: You can get it from Men Teachers' Association and it is called To Herald a Child and it is government money that put it together and it was research all done all across Ontario and it really addresses that question very well.

Mr. Jackson: We will appreciate it if we can get a copy of that, Mr. Chairman.

Mr. Chairman: We will see if we can get a copy of that available to the members.

Mr. Jackson: It would be nice if we could get some of the focus of this Committee's activities towards a positive model instead of just a recap of the...

Ms. Ayles: A very positive model.

Mr. Jackson: ...negative elements of both systems or their philosophies. It would be kind of nice if we get focussed in on that very soon in these committee hearings.

Mr. Chairman: Thank you, Mr. Jackson. Mr. Cordiano?

Mr. Cordiano: Thank you, Mr. Chairman.

Thank you for your reports and I think they are very enlightening. I just want to, from the outset, start off by saying that it is our government's intention - as has been stated - to move child care from the welfare to a public service and everyone has heard that and I think that is a move in the right direction and it is long overdue. So I say that at the outset.

But let's look at some of the issues that we all talk about and I would like to explore some of those with you and, namely, the three basic issues of affordability, accessibility and the quality of care and when we are looking at affordability, the way in which we move from a welfare system to a public service system, there are a number of combinations that one could use and that also involves the co-operation of the federal government, as you know, and that is under consideration and some consultation is taking place and has taken place and there are a number of agreements, hopefully, that will be reached and, if not, well then, as you have heard, the Minister of Community and Social Services has stated that Ontario is prepared to go

away on its own, to some measure, to fulfil our commitment.

But affordability, often it is mentioned that we should move from needs testing to income testing and I would just like your views on that. What would that do, what impact would that have at the present time? Obviously if you could move to an income-testing method whereby the largest number of people are included, there would be no problems. I mean, if we move the level of income up to a point where the vast majority of people are subsidized, then we surely would solve that problem. But we have to look at the other side and what that costs taxpayers and the treasury and how we can move to that level over a given period of time.

But if we are moving from a needs-testing method to an income-testing method, do you have any suggestions with respect to specifics on that and what you think would be appropriate levels of income?

Ms. Judge: No one is jumping in here. I do not actually have-- I mean, we could get back to you perhaps on that.

Mr. Cordiano: Okay, that is fine. I just mention that because...

Ms. Ayles: As suppose one thing that you could say though is that in a sense I do not think that we can afford not to seriously look at that whole issue when you have got one in five children living in families that are presently below the poverty level and, you know, I mean I think the choices the government has is to have the mothers on Mother's Allowance or something and be at home and looking after their kids there or to have a subsidized day care system and give the mothers an opportunity to become educated and work.

I mean, it is just a fact that there are these children now living in welfare situations and, I mean, I am involved in a day care system program in conjunction with George Brown and Metro Housing where these people are being presently subsidized under a grant to come and get an education so that they can go to work, you know, and because of that their children are being looked after. And I think that this is just a short-term thing at the moment, but the fact of the matter is that in one way or another, you know, maybe it is more moving money around than finding new sources of money in many instances, and then in one way or another, we are supporting those families anyway and so perhaps it is healthier and better for the community to support the children in good quality day care and give the mothers an opportunity to have better self-esteem and feel more usefull than what they are doing.

Mr. Cordiano: Sure. I do not think anyone would argue with that, but I want to move on to the next question of accessibility and it ties into affordability and really quality because when we are talking about Ontario's system we are talking about a child care system that is basically comprised 50 per cent or somewhere thereabouts by commercially-run operations.

And the whole issue, I think, that we are trying to grapple with and come to terms with is: How do we reach that ideal system that we would all like to have and somewhere near the ideal system; one that is working and viable and affordable, accessible to most people and affordable to most people? How do we get there from here?

That is what we are really asking, at least I am asking that and I think the government is asking that, and trying to come up with answers to deal with the situation whereby we have half of our day care spaces commercially-run and we all agree that there are definitely problems with quality and there are a number of other issues that we have to deal with, not just in the commercially-run centres, but for the entire spaces that we have available.

So we are looking at this and let's get into the issue of direct grants. And looking back at your brief you do obviously recommend that no direct grants be allocated or directed towards the commercial sectors and start-up grants be provided to non-profit day care centres and a number of other recommendations that you make here.

Basically what you are saying, and it is very clear, is that you feel that the commercially-run centres ought to be put out of business some time down the road, more or less, or give them the option to move into a non-profit status.

Right now I think the figures are that 990 centres, I believe that is correct, are commercially-run centres and 403 are operated by private individuals and the others are operated by chains.

Now, if we look at the issue of quality and I am going to refer to the federal study that was done some time ago on this question, 11 per cent of non-profit centres are reported to be sub-standard, 15 per cent of the chains are sub-standard and 25 per cent of what is termed small for-profit operators were deemed to be sub-standard. So we definitely have a situation where quality is an issue, not just in commercially-run centres but in non-profit centres as well. So we are dealing with quality and seeing that we have to improve quality right across the entire spectrum.

Ms. Judge: Yes.

Mr. Cordiano: If, as you say, that the direct grants should not be directed to commercially-run sectors, then we have a danger that, in effect, we could lose those spaces or the quality of those spaces would deteriorate over the period of time that it would take for these centres to become non-profit status or, in fact, to be phased out and those additional spaces would be created.

So what we are really talking about over and over again is: How do we reach a stage where we are going to maintain what we have, not lose what we have, and get to the point where we want to some day arrive at and, that is, to have a system that is better quality and, whatever way you operate it, whether it is municipally-run or publicly-run or non-profit status - and there may be some other models that we have yet to hear of that could be created and allow us to have the kinds of objectives-- see the kinds of objectives we all want to be met - but how do we get to that point from this point where the issue really is: How do we maintain the spaces that we have today and improve quality?

Ms. Ayles: One of the suggestions that I would make and this is not one that I have discussed with anybody, but one I feel strongly about myself is all of the Day Nurseries Act at present addresses what must happen in a day care centre which I am fine with, but I think that one of the things that we could do to perhaps provide incentive for people to stay in the day cares longer, is also legislate a minimum salary so that especially the commercial operators could not even look at starting a day care centre unless they were willing to pay a minimum salary that, you know, could be based on what people with a two-year diploma in college normally get coming out of college like in any other field. So that everybody....

Mr. Cordiano: You would want to see that done through legislation?

Ms. Ayles: Well, I do not know how-- I mean, you asking a specific question: How do we work on quality.

One way I believe we work on quality is to have properly trained people who are properly treated in the jobs that they are working in and, I mean, you sit here and you have got this building provided for you, you did not have to raise funds to get this building. You have been given a job and you have been given the conditions to work in with the job, okay.

Mr. Cordiano: Well, we all raised funds for that.

Ms. Ayles: Well, I do not think you have thrown any garage sales lately to get your chair to sit in, right? In day care at the moment, you know, we are doing fund-raising even just to get our basic equipment and stuff like that and

yet we are the people who are hired to do the job.

Mr. Cordiano: Oh, we have to fund raise too, I can assure you of that.

Mr. Chairman: You do not hold the garage sales, I gather.

Ms. Ayles: But, no, basically I think that --

Mr. Cordiano: No, I understand.

Ms. Ayles: You know, just to look at that specific question you are asking, one way might be to have properly qualified people in the field and have them properly paid.

Mr. Cordiano: Okay. And how do get properly qualified people if in the commercial centres - and let's look at that, let's narrow it down to that - if they are underpaid and there is really no incentive to stay with one centre and we see an incredible turnover from one centre to another and the quality of staff is certainly not as high as it is in non-profit centres, so we have a turnover and one reason for that is the question of salaries.

Ms. Ayles: Yes.

Mr. Cordiano: Lower paid salaries in commercially-run centres than there are in non-profit centres.

Ms. Ayles: What I am saying, just one way of looking at that would be to make sure that people just could not be paid those kind of wages.

Mr. Cordiano: Sure. So now let's talk about direct grants and if the government moves in that direction, how...

Ms. Judge: Yes?

Mr. Cordiano: ...how would you see direct grants? You are opposed to them going to commercially-run centres...

Ms. Ayles: That is right.

Mr. Cordiano: But how are we going to improve quality in those centres if we are not going to increase salaries?

Ms. Judge: Well, first of all, we would question that 50 per cent are run by commercial operators.

Mr. Cordiano: I use that as a raw figure, it is not...

Ms. Judge: Okay. I do not think it is that high, number one. Number two, we are not saying that they need to

close down, they have a right to exist just like a private school has the right to exist.

What we are saying is that they should not receive any public funding.

Mr. Cordiano: Okay, fine.

Ms. Judge: And, you know, I think that it is very clear that if we want to have a high quality system then we need to put money into an area that is going to ensure that, you know, that the quality will improve; i.e. into the non-profit sector.

We know that, on the whole, the centres in the non-profit sector are the ones that provide the highest quality care. Why put money into trying to prop up something that is not very good when we can put the money into the non-profit sector and ensure that we have a quality child care system? I mean it seems to me that the government...

Mr. Cordiano: Well, what do you do with the spaces that are there and what do you do with the fact that those spaces will have to do for now, will have to be maintained unless we want to sacrifice a large number of those spaces? But I think that is a very, real possibility.

Ms. Judge: Well, I mean, at the moment the government is only talking about a very small direct grant. I am not sure that it is going to mean that, you know, any one is going to close down at this point, you know, and I think that it is very important that again - I can only keep saying this - that public money go into a non-profit system so that we are ensured that that money is being used to develop quality care.

If you, as a government, are going to be developing a day care system, then it only makes sense that you do it in that direction so that we know that the money is going to people who are going to be accountable.

Mr. Cordiano: Sure, that is fine for the creation of the additional spaces.

Ms. Judge: Right.

Mr. Cordiano: But I mean, if we are moving in that direction that would be the ideal situation - and I do not think there is any problem - but we have at present what we have inherited, the system that exists, and how do we come to grips with what is there already? That is the issue, I think.

Yes, Ms. Bevan?

Ms. Keyes-Bevan: Well, what I would like to say is we are here and we are talking about non-profit and if choose that you want to put some money into a commercial centre, well then that is for your government to figure out, but I think asking us what we think you should do with the profit centres you have, is not really appropriate because we are here in support of non-profit.

Mr. Cordiano: But what I am asking you is not so much...

Ms. Keyes-Bevan: What we are suggesting is that you close them down.

(Interjection)

Mr. Chairman: Try to straighten yourselves out.

Mr. Johnston: I thought I was doing a rather good job of that.

Mr. Cordiano: I am not concerned about Mr. Johnston's musings and his ideological...

(Interjection)

Mr. Chairman: Let's not discuss the musings of any one, let's have questions asked of the witnesses.

Mr. Johnston: I am afraid you will anyway so you might as well.

Ms. Ayles: I think basically that can happen is that if a lot of support was put into non-profit the commercials could either continue to run as private schools...

Ms. Keyes-Bevan: Shape up or ship out.

Ms. Ayles: Yes, exactly. They could shape up to meet the needs of specialized people who are looking for a better...

Mr. Cordiano: What about the kids that are now...

Ms. Ayles: You develop non-profit centres so that the parents have a choice.

Mr. Cordiano: And when would you do that? Let's talk about the transition.

Ms. Judge: Tomorrow.

Ms. Ayles: Right away, we have been talking since 1971 about this need and it has got worse.

Mr. Cordiano: I understand that, but we are trying to be as realistic as possible.

Ms. Ayles: So are we.

Ms. Keyes-Bevan: So are we.

Ms. Ayles: We are being fairly realistic. You are now talking about being worried about children. We have been talking since about 1971 about being worried about these very same children, except those ones are all grown up now.

Mr. Cordiano: You were talking to these guys in 1971 and they are not going to listen. You were talking to a different group.

Anyway, let me get back this to point, Mr. Chairman.

Mr. Chairman: I would hope that you would and I would hope that the responses would be to that and the peanut gallery can remain...

Mr. Cordiano: The point is, we have to move-- as I say the Minister's intentions are to move very quickly even if Ontario has to go it alone.

Ms. Ayles: The Metro Task Force has always suggested exactly the kinds of suggestions you are asking for. You can just read the report, there were committee meetings galore.

Mr. Cordiano: I realize that, but we still have this basic problem...

Ms. Ayles: But I think they have addressed those issues in that report.

Mr. Cordiano: One has to make the assumption that all commercial centres are going to become non-profit centres immediately, in your scenario.

Ms. Ayles: Yes.

Mr. Cordiano: And that is not an assumption we can make realistically. I mean, our feeling is that that will not happen overnight and we will lose a number of spaces. I mean, that is the decision that we have to come down to and make and if we do that and we risk losing those spaces, then we are going to have a worse situation on our hands than we have now. We are going to only make it worse.

Ms. Keyes-Bevan: Put more money into non-profit, quality child care. That will create more spaces.

Mr. Cordiano: Fine, but you are not going to be able to make up the loss in the spaces in that short a period of time not...

From the Floor: They found them during the second world war.

Mr. Cordiano: ...within a year, not within six months, not within a year and a half, perhaps-- not within five years. I mean, we are talking about astronomical amounts of money and I think that what we have to do is move very carefully and at the same time put more money into non-profit centres, the expansion will be there as-- I have got some figures that indicate that indeed the non-profit sector and the public sector were increasing at a rate of 6.9 per cent from 1985 to 1986 as compared to the profit centres that only increased 4 per cent.

So there is a real difference and the trend that has been reversed, I mean, basically we saw incredible growth in the commercially-run operations in that sector than in the non-profit sector. So we are seeing a reversal of that trend and, quite frankly, the government's intention is to put all its efforts in the non-profit sector,

Ms. Ayles: Good.

Ms. Keyes-Bevan: I do not have the figures but in World War II when they needed the women to work in the munitions factories, then they found the money to open the centres so that the kids had somewhere to go.

Mr. Cordiano: I agree and we are going to find the money to do that now.

Ms. Keyes-Bevan: So this time they can do that.

Mr. Chairman: One at a time please.

Ms. Keyes-Bevan: If the government was committed 100 per cent to non-profit child care you, as a government, would find the money. I mean, that is the way the government is set up, you have got that power, it is up to you where you decide to put your money.

Mr. Cordiano: Well, no, the money always comes from you and from me and from everyone in this room.

Ms. Judge: We want our money to go into non-profit.

Ms. Keyes-Bevan: We do not want it in profit.

Mr. Cordiano: Well, we want that too, but we are going to have to do that very reasonably so that you are not

going to pay incredible increases in your tax bill every year.

Ms. Ayles: You pay for them eventually.

Mr. Cordiano: Mr. Johnston would not mind that.

Ms. Ayles: If you do not look after children...

(Interjection)

Ms. Ayles: You either pay it through fixing up vandalism or you pay it in corrections. It is just paid at a different end. You just end up having to fix things up rather than preventing them happening in the first place.

I think if you do not look after children properly you pay for it.

Mr. Chairman: Mr. Cordiano, I would like to...

Mr. Cordiano: I am not finished.

Mr. Chairman: I beg your pardon?

Mr. Cordiano: I am not finished.

Mr. Chairman: Okay, fine.

Mr. Cordiano: I just wanted to finally say that I think we are moving in the right direction. I understand your frustrations, I understand the fact that you would like to have things done more quickly and, you know, this government-- its intention is to move as quickly as possible, given all the constraints and given the fact that we have inherited a system that has almost half of its spaces commercially run.

We would like to have this system change, we would like to have better quality, but how are we going to do that in a short period of time? We are just saying, we are going to do it and we are going to move as quickly as we possibly can.

Thank you.

Ms. Ayles: Well, I worked in corrections and I can tell you that the reason that I got out of corrections and went to early childhood education was because I worked with 9 to 13 year olds in corrections, we had like one-- you know, all kinds of psychology people and psychiatry people and menu people and all kinds of things feeding into a few children because they were so badly emotionally disturbed that they needed all that kind of help, and a lot more money was spent on that number of kids than the same number of

kids in a day care centre and I think that preventing these kinds of things is a lot more worthwhile than allowing them to happen and then try to correct them.

Mr. Chairman: Thank you, Mr. Cordiano..

Mr. Sheppard?

Mr. Sheppard: Thank you, Mr. Chairman.

I have got a couple of short comments and a couple of short questions. You are day care supervisors or assistants or day care workers, have you ever thought about opening up your own day care centres? Now, I see there is some happy-looking mothers here. I presume you are all mothers or you would not be here.

Ms. Judge: I am not a mother.

Mr. Sheppard: Oh. Have you ever thought about opening up your own day care centre?

Ms. Ayles: I have opened up four, but they are all non-profit.

Mr. Sheppard: Non-profit?

Ms. Ayles: Yes. I have opened up four non-profit centres with parent boards in each case and they are now run by the parent boards and the parent boards turned around and employed me as a supervisor in one of them.

Mr. Sheppard: Good.

Ms. Keyes-Bevan: And I opened up the centre where...

Mr. Sheppard: We are talking about money, you know. You probably read in the paper here just before Christmas where the Treasurer said he found \$919,000,000 that he did not know where it came from, so the government has got the money.

Ms. Ayles: Oh, they have got the money.

Mr. Sheppard: All they have got to do is open that money up and get things rolling.

One of the questions I wanted to ask...

Ms. Ayles: The Scarborough Board of Education sends back money to Toronto every year yet they charge us rent to use their space for day care.

Mr. Sheppard: Talking about day care centres, I come from a rural riding and we are trying to get assistance from

the government to help run a rural day care centre which is a lot tougher to run than one in Metropolitan Toronto or in a town or a city.

The regulations is that staff is 1 to 8 children. Would you elaborate on what your thoughts are on that?

Ms. Judge: Go ahead.

Ms. Keyes-Bevan: Well, if it is a particular age group that is age group for two and a half to five, it is not...

Mr. Sheppard: Well, I...

Ms. Ayles: What are you asking us, exactly? Are you asking us if that is good?

Mr. Sheppard: Well, I was here some time ago and a mother was looking after four children and they were under two and a half and she said that four was all that she could do and look after them, what she called properly.

Ms. Ayles: That is right.

Mr. Sheppard: She was a young grandmother but she was doing an excellent job and this is why I asked the question.

Ms. Ayles: Yes. The regulations actually say that if the children are infants it must be a ratio of 1 to 3; if they are under two and a half it must be a ratio of 1 to 5; if they are two and a half to five, it should be a ratio of 1 to 8; if they are school aged, it should be a ratio of 1 to 15.

So it depends on the age of the children. One to eight is a certain age group.

Mr. Sheppard: Yes, but do you think in all cases that 1 to 8 is too many or...

Ms. Ayles: I think it is certainly plenty, for sure. It should certainly be no more. That is minimum standards.

Mr. Sheppard: I think it would depend a lot on the child.

Ms. Ayles: Yes, I agree with you one hundred per cent. Personally I like to work with a lower ratio than that. In our centre we work 1 to 5 all age groups.

Mr. Sheppard: I would think so and like Cam I was a trustee for a number of years and I have four grandchildren too and I support day care centres.

Mr. Chairman: Surely he does not look that old.

Mr. Johnston: You mean, he does not look like a trustee?

Mr. Chairman: He does not look like a grandfather.

Mr. Sheppard: What do you think, now the question was asked I think by Cam, do you think that School Boards should in the future - I know one school in my particular riding that has a day care centre in it because it happened to have an extra classroom - do you think that the government should be looking towards having a day care centre in most schools where there is a vacant classroom?

Ms. Ayles: I have mixed feelings depending on how heavily involved the Ministry of Education would be because I am upset that the Ministry of Education has such high numbers of children per teacher. I do not think for young children that it is appropriate for one teacher to try and copy with 25 or 30 children in a classroom.

So, you know, to discuss the whole issue of day care under the Ministry of Education I think that we would have to be very, very careful, you know, back to your whole question around the ratios and stuff like.

I mean, you are with me obviously you could not possibly have, you know, one teacher looking after enormous numbers of little kids. It would be very, very unhealthy for the kids. I am not at all convinced that it is healthy for the children under the Ministry of Education, especially in kindergarten and the primary grades as it is, to be looked after the way they are.

I would also like to see much, much more flexibility in programs so that we do meet the needs of the parents. You know, different programs suit different parents and right now the Ministry seems to have pretty well a basic policy and all the classrooms are run the same no matter what, no matter who. And I think that would be very, very upsetting to have happen in the day care field. I think the options are absolutely essential.

I think that we have to continue those kinds of discussions though because I think that day care has to get out of the social services/welfare that it is in now. I am with Chris, you know, that we need to look at a separate Ministry that addresses all small children, you know, maybe even up to the age 8 and that is what that To Herald a Child looks at too. So I think those discussions have to continue but, you know, I do not think that there is a correct answer.

I do not personally like the fact that we are sort of

hermit crabs, that we crawl into space that somebody else has built for another purpose. I think there should be properly built day care centres to serve.

I lived in Germany and that is where I first learned about day care. And in Germany, they build day cares for kids and they are properly built and properly equipped...

Mr. Sheppard: And supervised?

Ms. Ayles: ...and properly supervised to look after children and they are beautiful, they are lovely to be in, they are a joy, you know, and they are completely different from anything we have got here because we are just not looking at the needs of the right age group.

Mr. Sheppard: One last question. I think you mentioned in your brief that you were a supervisor and had to bring your own toys from home. Was it you or somebody else?

Ms. Judge: That was the person who could not make it today. It was in her written brief.

Ms. Ayles: Also my staff that is now with me had to bring her own toys to the centre she previously worked in which was a commercial centre.

Mr. Sheppard: Why would she do that? Like, I do not think that if somebody is going to be a supervisor and go in and work for you or somebody else that you should have to bring your own toys.

Ms. Cioffe: Well, if they saw the lack of toys and equipment that they had in the day care centre and they wanted to help the children with their own ideas and skills and happen to bring in toys and new equipment, sorry.

It is for the children's needs because there was not enough toys or equipment.

Mr. Sheppard: Okay, Mr. Chairman, let somebody else up.

Mr. Chairman: Thank you. Well, I have questions.

I just wanted to-- you indicated you worked in Germany, what your experience was there. Was that totally subsidized in Germany?

Ms. Ayles: Yes, totally subsidized; because I was "an alien" because I was a Canadian citizen, I paid \$7.50 a month for day care.

Mr. Chairman: But all the rest were totally

subsidized?

Ms. Ayles: Absolutely. Every single square of every village in the part of Germany we lived in had a properly built -- they were called kindergartens -- but there were properly built day cares for children from, I think it was two to six, and they had another for infants somewhere else but the children were two to six years old. There was a ratio between 1 to 5 and 1 to 8 depending on the age group, they had a music teacher come in, they had a dancing teacher come, they had special programs for the parents, they were all in German and my German is limited, but they were, you know, nutrition programs, health programs, fitness programs, everything like that for the parents as well as programs for the children.

Mr. Chairman: Just finally, were they not-for-profit as opposed to profit?

Ms. Ayles: They were owned and run by the State, for the Government.

Mr. Jackson: Completely part of the education system?

Ms. Ayles: That is right.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: If you want an international comparison, I mean, there are other examples of kids over the age of two being totally supported in a separate system, France is another example, it has had it since the second world war.

Ms. Ayles: Sweden.

Mr. Johnston: Sweden. There are many around.

Mr. Jackson: Cuba?

Mr. Johnston: Cuba is next? I do not know why you would raise that except for your proclivities.

Mr. Chairman: If anybody is raising these for a visit to those places, forget it.

Mr. Johnston: Just let....

Mr. Jackson: I picked the one final just for you, Mr. Chairman.

Mr. Johnston: We would not necessarily be breaking that new ground if we actually looked at a slightly progressive system here, for a change.

I have very few actual questions for you. I think you have handled most of the questions you have already been given very, very well.

I just regret that Reuben Baetz was not here today as the major repository for day care information in the Tory Party as he announced in the paper the other day.

I think you guys have done very well in his place, but it would have been wonderful to have him here.

Mr. Chairman: The attendance is rather sparse by both of the opposition parties, Mr. Johnston.

Mr. Johnston: I am not sure what it has got to do with, but it has probably got to do with the chair, but we have come back.

Mr. Chairman: I see. I see. All right.

Mr. Johnston: I wanted to raise a question of you and that is: I want to ask if either we can get somebody from the Ministry here before us - which I was very surprised you did not schedule them as the first people before us. I found that quite strange in the organizing of this whole thing, but now that we have had several very serious charges laid here today before us, allegations of forewarning of inspectors' visits and a number of other practices, I think that it might be very useful for us to get somebody here to explain to this committee just how the inspection system works with day care in this province.

It clearly does not work and I think that they should come here ASAP and that you should make that request to the Minister of Community and Social Services.

I mean, we have already learned that they do not have records anywhere in an organized fashion on this stuff, but the notion that here, as well as in nursing homes, that you have got this forewarning system when you have got inspectors only going in twice a year from what we have been hearing from other witnesses and the maximum is outrageous.

Will you do that, sir?

Mr. Chairman: I was going to put that to the committee, actually. I can see that that makes a lot of sense.

Mr. Johnston: Put it to them now. I think that we should see...

Mr. Chairman: I did not wish the presenters to give names because they are obviously not protected, but I think you would certainly want those names to...

Mr. Johnston: I think we need to know more about the policy of how inspections work here and why we do not have the records. We do not have any of that information.

Mr. Chairman: We are going to deal with the question of staff and so on, so perhaps we can do that at the end of your questioning.

Mr. Johnston: Okay.

The other thing I wanted to raise, and I am sorry Mr. Cordiano is not here because it is interesting to watch the evolution of the Liberal position on these things in terms of the justification for their sudden interest in the commercial sector.

Maybe somebody can correct me on this, what is the percentage of kids, of day care age, now in the Province of Ontario who are receiving licensed space day care? Is it around 8 per cent?

Ms. Ayles: 8, yes.

Ms. Keyes-Bevan: 8 per cent.

Mr. Johnston: That is sort of my presumption, 8 per cent.

Ms. Keyes-Bevan: Yes, it is about 8.

Mr. Johnston: Oh good, Mr. Cordiano. We are talking about your terrible problem that you keep raising for us about what we are going to do with all these commercial centres that are going to close cataclysmically if you do not start giving them directions.

Mr. Cordiano: I take it you have a quick solution to that, Mr. Johnston?

Mr. Johnston: Almost. Perhaps you would listen and you might hear.

Mr. Cordiano: I always listen intently when you are speaking, Mr. Johnston.

Mr. Johnston: I think the echo of your own comments must fill your head, but listen anyhow.

Only 8 per cent of kids are in a licensed day care system at the moment, a tiny, tiny fraction of the kids, 8 per cent. Do you want me to go-- let's go as high as ten. Let's say as many as 10 per cent of them, okay.

Of that you claim statistics which are questionable

but, say, 50 per cent - I will even go as high as your 50 per cent are in a profit mode at this point, okay, probably much more like 45 per cent but so what. Let's go 50 per cent and 10 per cent.

That means we have 90 per cent of the kids out there, right, who are day care age and eligibility, who are not getting licensed day care in this province. We will just deal with a tiny fraction of it and out of that tiny fraction, 50 per cent or slightly less is in the profit section.

You now want to move to a system which will give direct grants to that commercial system and hope it will go away and I think that is-- when you think about it, here we are moving now to a new concept of day care as an early childhood education, as a major liberating factor for women in the economic workforce, you know, in terms of their ability to participate and you want to try to tie it back from going in that direction by worrying about the 5 per cent of the kids of the Province of Ontario who require day care who are in that adult stream. That is your hangup, that is the hangup that you are putting forward.

Mr. Cordiano: I would question your figures, but go on.

Mr. Johnston: Which one?

Mr. Cordiano: Well, let me just say that there are, what, 80,000 spaces?

Mr. Chairman: Pardon me. Before you go on, Mr. Johnston, do you have questions of the presenters. Perhaps we can let them resume their places at the....

Mr. Johnston: No, no, no. I have questions. I am dealing with his presumption and then we will go to the presenters. Why do you have so much trouble with me asking questions?

Mr. Chairman: I am having no difficulty at all, Mr. Johnston, but the people are sitting here and...

Mr. Johnston: I have been listening to some of the comments here for an hour and a half.

Mr. Chairman: But the people who are sitting here are to answer questions and the questions are really being asked of the members of the committee. I do not see what...

Mr. Johnston: Is that against the rules?

Mr. Chairman: No, but...

Mr. Johnston: Well then, why don't you just let me...

Mr. Chairman: If you have anything further, Mr. Johnston...

Mr. Johnston: I will determine how I am looking after things. If you think I am being redundant, cut me off and call me out of order and try to shut me up, Mister, otherwise do your business of not being a Liberal but being a Chairman.

Mr. Chairman: I am asking the question of whether or not you do not have questions for the...

Mr. Johnston: I have told you what my answer is. My answer is my question will be to them when I set the parameters for it with Mr. Cordiano.

The Chairman: Fine, that is what I wanted to know.

Mr. Johnston: Are you satisfied?

Mr. Chairman: Yes.

Mr. Johnston: Great. I wish you would interfere as much with others.

What is your problem with my question?

Mr. Cordiano: 80,000 spaces are licensed in the formal system and there are a number of other spaces when, in fact, there are more than five children that require, under the Day Nurseries Act, to be licensed. So I do not know what the 10 per cent figure that you quoted refers to. Of all the children in the province?

Mr. Johnston: Province of Ontario and day care capacity.

Mr. Cordiano: I see. Fine.

Mr. Johnston: Okay So kids who are currently using day care, in theory...

Mr. Cordiano: There are an estimated 400,000 parents that are using some form of-- 400,000 children that are being administered some form of child care service in either the informal or formal system.

Mr. Johnston: I am talking about formal licensed day care and that is the only area that commercial sector that we are talking about comes into play in this, and that they take up 50 per cent of that.

Mr. Cordiano: Right, but of the 400,000 there are

approximately 100,000 that are licensed under the Day Nurseries Act.

Mr. Johnston: Right.

Mr. Cordiano: So that would be 25 per cent of the 400,000 -- 100,000, that would be 25 per cent that are in a licensed day care type of setting.

Mr. Johnston: Can we agree that there is a tiny fraction of the number of kids who are day care receiving age, who are receiving day care in the Province of Ontario in a licensed facility?

Mr. Cordiano: There is a small fraction.

Mr. Johnston: Easy.

Mr. Cordiano: Yes.

Ms. Ayles: There is one child out of ten.

Mr. Johnston: One child out of ten. That used to work out to be 10 per cent, but things change.

At any rate, so that is -- and then we are talking about, within that, the commercial sector that we are worried about going out of business.

You seemed almost to go along with this notion that some of them might go out of business. My question to you is: Why would they when there is such a huge market of kids out there who are not going to get spaces right away, when these people can charge whatever they want anyhow and we all know they do not take as many subsidized spaces per centre as do the non-profit; why should any of them go out of business just because you give \$3.00 or \$5.00 direct grant to the non-profits?

Ms. Ayles: I do not think they would go out of business, personally. I regret to say it, but I think that, you know, I mean, parental choice at the moment is a farce. How can parents have a choice? Most of the parents using day care do not have, you know, systems of transportation or stuff like that, so they are going to go to the closest day care centre and if the closest day care centre is a commercial centre, that is where they are going to end up going because they do not have a choice.

Ms. Ayles: Whatever centre has the space.

Ms. Judge: I think you are quite right, especially when we are talking about a very small direct grant. It seems the government has announced at the moment a very, small direct grant.

I do not think it is going to make any commercial operator go out of business right now and as you have said, the need is so high that parents are going to take any day care they can find, unfortunately. That is why they exist because parents have to take any kind of day care they can find.

Ms. Ayles: Yes. I would think probably every day care centre mentionable has waiting lists and people are getting wise now and they are starting, like I have, people on my waiting list that the kids are only six months old and I do not take children until they are two and a half, but they know that that is the only way they could be guaranteed a space when the child is old enough.

So I agree with you. I do not think it is an immediate problem.

Mr. Johnston: Well, in future, and I know this will come up and I would like to follow up some of the things Mr. Jackson was raising around the educational model alternative, but not to belabour it today and I actually had no further questions for you, but I just suggest that you stay tuned for the next line of questions Mr. Cordiano will follow and the next rationale for this bizarre change of policy that the Liberals have adopted. I look forward to it with great anticipation.

Mr. Chairman: Dr. Henderson?

Dr. Henderson: Thank you, Mr. Chairman.

If this question has been asked, somebody tell me, but if I were to ask you what, in your view, is the ideal administrative arrangement for a day care centre I think you would say non-profit and public?

Ms. Ayles: Yes.

Dr. Henderson: Can you say as to order beyond that? Would you have them-- would there be a local board for each one or would there be a Board for a particular municipality that would administer them, or how would you set them up administratively and to whom and how would they report?

Ms. Ayles: There would be a local Board made up of parents for each one.

Dr. Henderson: Okay, and the Board would hire a Director or something?

Ms. Ayles: Yes, that is correct.

Dr. Henderson: Who would be funded by the Minister or

they would be like a general hospital in their administrative setup?

Ms. Ayles: Yes.

Dr. Henderson: Thank you.

Mr. Chairman: Are there any further questions of members of the committee?

If not, thank you very much. We appreciate your coming here and giving us that information. It was most informative and we appreciate it.

Ms. Judge: I would like to thank you for inviting us here and listening to us and before I go, we did bring a little present for all of you. It is a button that says "Kids Are Not For Profit."

Mr. Chairman: Their was certain comments made which we may wish to have certain information on, I am sure we will, to follow up on it. We would prefer to have it it from you in private because we do not wish any one to have difficulties as a result of it.

So if you perhaps would stay around and we will perhaps take that information from you and arrange to get it to the appropriate source.

Ms. Ayles: Fine, okay.

Mr. Chairman: We have a couple of items, Committee, one of them is that Roberta Labelle would like some direction from the committee for briefing on April the 15th on Hospital Management and perhaps you can think about that in the next-- perhaps tomorrow we can put our heads together and decide what type of briefing we require.

In addition to that, there is a group that could not be here today the National Action Committee Status of Women. They are asking to come back on another day and that would be - I am suggesting that they come back on Wednesday and either before the staff briefing at two o'clock or perhaps, if we want to give them sufficient time, perhaps we could move the staff briefing over to another date. I do not know what the wishes of the Committee is in that regard. I do not think there is much point in having staff here and to perhaps shorten the presentation of any groups, so I would suggest that perhaps...

Mr. Johnston: Who is staff there? That is you, is it Cathy?

Ms. Fooks: Yes.

Mr. Johnston: But you are here anyway, so why do we not just see how long it takes, unless...

Mr. Chairman: All right. Is that the...

Ms. Fooks: The only thing is that we have these groups on Thursday, so it makes sense to have the briefing after we have heard all of the groups.

Mr. Chairman: Yes. Well, why do we not do that then. Is there a consensus that it be on Thursday after we have completed all the groups?

Is everybody listening here? Oh, just a second, Richard, we are not meeting on Thursday, we had agreed, the afternoon because we would have to get it done before-- what time do you people have to get away?

Mr. Johnston: I have to be there by two. It is an hour to Nottawasaga.

Mr. Sheppard: That is on Thursday?

Mr. Chairman: Well, if you feel comfortable with it...

Mr. Johnston: What time is our last person?

Mr. Chairman: Eleven thirty.

Mr. Johnston: All right.

Mr. Chairman: The other item is that, as you can note, our groups are getting-- are bunched together and we are going to have to perhaps have less latitude in terms of time because today we only had one group and we allowed it to go on, but I think I am going to have to be a little more cautious in terms of calling members to order in terms of questions. So I hope you will co-operate with me in that regard.

Mr. Mitchell: Mr. Chairman, may I make a comment on that and I do not want to sound sour about this process, but last week we had two days where nothing happened. The week before there was two days with nothing happening and suddenly the groups are wanting to come in at the last moment.

I realize there was some adjustment of all of this, but I just wonder why it is suddenly -- I mean, today we were here prepared again to start at two o'clock and suddenly now two groups could not appear.

Mr. Chairman: Well, perhaps I will let the clerk explain what these difficulties are.

The Clerk of the Committee: Our big problem with scheduling was that no one wanted to come on at the beginning. Everyone felt they needed more time, so the last days are very heavy and we just could not get these groups to come earlier.

Mr. Mitchell: But then it begets the question: Are they really concerned about the issue of the day care, profit or not-profit, situation? I mean, I am not trying to be a bad boy here, but there is something that seems to be wrong with what we have been....

Mr. Jackson: Mr. Chairman, in fairness to the groups, there has been a couple of changes that they have been asked to go through.

Mr. Mitchell: I realize that, yes.

Mr. Jackson: The impression of time has been noted and they want to do a credible job, so we will have to deal with it on their schedule. I mean, in fairness to them, we are having caucuses and changing schedules on them, so...

Mr. Mitchell: I know, we have...

Mr. Jackson: Mr. Chairman, if I might comment on your first question about-- I do not think we would have any difficulty if you acknowledged in your speaking order one from each, if we revert to that.

We, under Mr. Johnston's Chairmanship, we went on that system during Bill 30 when we found ourselves in these types of situations and I do not think there would be any serious objection for us to pursue that as a working model and I think it will work out fine, depending on who you pick in those parties, but I am sure you will iron that out.

Mr. Chairman: All right. If we have a consensus. I think we are going to have to do that otherwise we are going to find ourselves in serious difficulty trying to get through the groups.

Mr. Sheppard: Mr. Chairman, if I may ask, how many sent in to participate? Are we going to accommodate them all or just certain ones?

Mr. Chairman: It is my understanding from the clerk that all of the briefs that we received were set out in a list and all of those people were contacted and the ones - is this correct - and the ones that have appeared are the ones who expressed a desire to appear and, in fact, I suppose we are basically hearing almost all. Is that correct?

The Clerk of the Committee: All the ones that agreed

to appear were contacted. There were quite a few other people who declined.

Mr. Sheppard: Oh.

Mr. Chairman: I might also respond that there were some people who indicated that they had not had enough notice and actually the sub-committee agreed that there were, I think it was three weeks' notice, which is more than most committees, I understand get. Normally it is somebody, I think the clerk, told me a week was not uncommon.

I think some of the difficulties are that we have met right at the outset. You see, Richard, I think you were -- I cannot recall where you were off, you were on some other committee and we met and determined these issues.

Mr. Johnston: Was Cooke there?

Mr. Chairman: Yes.

Mr. Johnston: He said he was not there.

Mr. Chairman: Well, he has been at every sub-committee meeting that we have dealt with and I believe we dealt with that question...

Mr. Johnston: The decision about the out-of-province people not coming. Perhaps he was not at that meeting.

Mr. Chairman: No.

Mr. Johnston: I just think that it is sort of crazy not to accept the advice from Alberta on what they have done because it is some sort of idea from one of the other provinces.

Mr. Mitchell: We have a question.

Mr. Chairman: All of the provinces were canvassed. I received replies from them. They were sent on to the clerk to be made available to committee members. Many of them said we have not canvassed it or we have not dealt with it or so on, so I just wanted you to be aware that we have-- we are attempting to have each group that expressed an interest come before us. We are having difficulties in terms of either the timing being wrong for them or setting an agenda and then not being able to make it and perhaps part of it is because of what was going on the Ottawa scene. I do not know.

Mr. Johnston: Is Eggleton reaffirmed or is he not coming?

The Clerk of the Court: I have not been able to

confirm with his office. I did hear from Laurel Mondruff that he would not be coming, but I tried to get in touch with Donna Montgomery in his office and I called again this morning. She was supposed to call me back and as far as I know, she has not. I will keep trying. That is all I can do.

Mr. Chairman: The final item is that there were certain statements made here today and I want to get some direction from the committee as to whether I should take those names and forward them on or how do you want to deal with that? I want to make certain that those people are adequately protected?

Mr. Johnston: I think we should bring the inspection people in here before us and talk to them about what is the philosophy of inspection of day care that is out there, Bob, because it is clear that from these witnesses' perspective, there is advance notice which is counter-productive from other statistics or lack of statistics, we have been able to gather there is no such organization out there. I think we really need to talk about that. Just what are the standards, how do they operate?

Mr. Chairman: Sorry, I overlooked that issue Mr. Johnston has raised that earlier as to whether we could do that and when and I gather it would be a consensus that they come before us in that respect?

Mr. Johnston: But we cannot raise the individual cases of something which happened, a lot of these would be years ago, that is not profitable for us to do that. It would seem to me that we require another kind of committee altogether if that was seen to be necessary. We can at least find out what the system is because the system, from what we are hearing nowhere, it seems to me, needs some changing.

Mr. Chairman: Is that the wish of the committee that we not deal with the individual cases but bring them before us and find out what the inspection process is?

Mr. Mitchell: Yes.

Mr. Johnston: yes.

Mr. Chairman: I suppose we could leave it with the clerk and determine what date they are able to come before us and you will arrange that and let me know.

That is all we have to discuss today and see you tomorrow.

One thing I would ask you, if you could, if the committee members could be here on time because there is a

rather large number of groups and we want to hear them effectively.

Thank you.

The committee adjourned at 4:40 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

TUESDAY, APRIL 7, 1987

Morning Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Jackson, C. (Burlington South PC) for Mr. Andrewes
Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson
Sheppard, H. N. (Northumberland PC) for Mr. Baetz

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

From Family Day Care Services:

Pepin, J., Executive Director

From the City of Toronto:

Campbell, J., Chair, Day Care Grant Committee

From the Women's Perspective Advisory Committee:

Poole, D., Chair

Doran, A.

Caccia, N.

Swift, C.

From the Ministry of Health:

Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

Individual Presentation:

Friendly, M., Research Associate, Centre for Urban and Community Studies,
University of Toronto

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Tuesday, April 7, 1987

The Committee met at 10:10 a.m. in room 2.

CONSIDERATION OF CHILD CARE

Mr. Chairman: Mr. Pepin? It is Pepin?

Mr. Pepin: Yes, it is.

Mr. Chairman: If you would like to come forward, identify yourself for Hansard.

You have a written brief? Okay, yes. Any time you wish.

Mr. Pepin: My name is Jonh Pepin, I am executive director of Family Day Care Services. I would like to thank you for inviting me to speak today, and I would like to start by describing Family Day Care Services and our board composition.

Family Day Care Services from the materials that I have in the package for you was incorporated in 1851. We are celebrating our 136th year of service. We have provided the first public nursery in 1856 in Ontario, and we also had orphanages and foster care. Now we provide services to children and adults and we cover a wide range of areas. We work in the Region of Peel, the Region of York, Metro Toronto as well we provide an information and referral service that covers from Hamilton to Oshawa to Peterborough, Barrie, and that whole southern Ontario area.

At the present time we have a variety of different services. We provide licensed quality private home day care to subsidize low income families, to full fee parents and to multi handicapped and special needs children. We have over 600 children in that service. Along with that service we provide family counselling to the families that need it. We have a school age centre that has 60 children in it, and we have an emergency care service so when a child is sick or day care breaks down we send someone to the home to look after the child and we have worked with over 500 children in that take service.

We also have what is called a working parents day care insurance plan. It is a service that employers buy for their employees. It is an employee benefit to help them with their child care needs. So we provide an information referral and personal consultation service at the work site. At this point ten companies have purchased it and it is

available to over 7,200 employees. We also provide consulting services to corporations to help them assess their employees' day care needs and design centres, et cetera, and we are in the process of developing a whole range of new services for the elderly, for the frail elderly, and we are involved in advocacy activities.

I think it is important before I turn to our presentation to tell you that our Board of Directors -- we have 30 board members as well as seven advisors -- that they are all business people or professionals from Bay Street or the spouses of these people. I think that is important to keep in mind in terms of the recommendation that our Board has asked me to bring forward today.

If we turn to the presentation, we start off by saying: Canadian society must have a comprehensive, accessible, affordable high-quality day care system. This to us is the main issue, that the profit, non-profit issue is a side issue. It is an important issue but it is a side issue for us. The issue is not that commercial for-profit day care organizations should exist or not exist, the issues for us are quality and availability of scarce financial resources and I have to say that the latter is our main concern in our presentation.

The lack of quality has an impact on the child; the lack of financial resources means that there is not enough subsidized spaces for people. In the commercial for-profit day care sector the level of quality of care and the use of scarce financial resources are of concern to us, and we make a number of points. The first point on page one, is that in the government and non-profit agency all funds go to service, delivery and support. Within the profit making sector, it is possible that a percentage of funds goes for profit and not for service. And specifically in Metro Toronto, when a commercial organization is preparing its budgets, they are allowed a ten per cent factor -- profit factor on the bottom line. The non-profits are not allowed that although every year I fill it in just to make a point and it is gets scratched off, but it allows them extra resources. Now that means that there is a certain amount of money that is going into profit when there is a shortage of subsidized spaces and we have a concern about that.

The second point we make is that the goals for commercial for-profit organizations is different from non-profit government agencies. The goal for the latter is to deliver quality service to meet the needs of children and their parents. The goal of the commercial for-profit organization is to make a profit and the means is a delivery of a service or a product; hence, the basis for decision making is different thus having an impact on salaries and benefits, staff qualifications, training program quality and so on. So we have a concern about that. And some examples

of how these goals have an impact, the Association for Day Care Operators of Ontario which is a commercial association, apparently actively lobbied the Ministry of Community and Social Services against the enhancement of day care regulations on cost grounds, whereas a non-profit community was active in supporting the province in its attempt to improve the standards and regulations and therefore quality.

Item three deals with quality issues, and from what I understand there will be a researcher in later today to talk to this, so I will not really go into any depth about them. They can talk much better about them than I can.

Okay. So at the top of page 3, on the basis of the potential and real use of scarce resources for profit, the implications related to differences in goals and differences in level of quality, Family Day Care Services concludes that there is no overall advantage (in fact, some disadvantages) to Canadian children and their families to be gained from the use of public funds in the commercial for-profit day care sector.

Therefore, we recommend that in the long term no public funds be used to support directly or indirectly the commercial for-profit day care sector. We further recommend, that as the commercial for-profit sector makes up slightly less than 50 per cent of the existing spaces, subsidies for low income people using the sector should continue, but that calculations of this subsidy to be paid would be done at cost and not include the 10 per cent factor. We also recommend that the commercial for-profit sector not receive any government grants or subsidies, that is a grant for space, expansion grants, capital grants, et cetera.

The next two recommendations for us are fairness recommendations. We recommend that the Provincial Government develop a plan to buy out existing commercial for-profit organizations, converting them into non-profits, and that the Provincial Government make available low interest loans to existing non-profit organizations to buy existing commercial for-profit organizations.

We feel it is only fair that these people be properly compensated because they have invested quite a bit and have helped with the development of the existing system. And if government is changing policies they should not be penalized. So that is why we have those two recommendations in.

The second last recommendation is that more government money be made available to non-profit day care organizations to add an expansion/enhancement of the services. Just as an aside, there is some money available for expansion of private home day care services, and we have

managed to create a number of new spaces and new jobs in the community in that area because of that money. We do not have access to people investing in our organization or buying shares that allows us to have some moneys available.

The last one deals again with our main concern which is The Day Nurseries Act be reviewed and revised in order that higher minimum standards of care be established in Ontario. We feel that there is a need for enhancing the Act so that there are higher levels of quality and appropriate funding to go with that. And if we go back to the very first statement we made, we need a comprehensive accessible, affordable, high quality system which changing the Day Nurseries Act would be one step towards that.

Mr. Chairman: Mr. Pepin, before I open it up to questions of the committee members, on page one I just want to be clear, at the last paragraph you have indicated, for example, in Metro Toronto the government purchases day care services for low income families from the commercial non-profit sector. Did you mean non-profit there?

Mr. Pepin: I am sorry that is a typing mistake.

Mr. Chairman: So that should be profit sector?

Mr. Pepin: Yes.

Mr. Chairman: Okay. Any members? Do I see any hands? Mr. Reycraft?

Mr. Reycraft: Mr. Chairman. Mr. Pepin, can you tell us a bit about the supply versus demand situation as it relates to your organization?

Mr. Pepin: Okay. In private home day care for -- there is two sets of problems. One is that you get a tremendous demand for service but there is difficulty at times finding providers or care givers to deliver that service, and in the centres what you are starting to find in Metro Toronto is there is a shortage of qualified people. So in terms of our existing service for the private home day care we have way more demand than we can meet; in the emergency care service, which is not covered under any legislation and which is not funded by government where parents have to pay \$50, \$60 a day for care, the demand is just overwhelming us. In the service that we did have operating for a short while which is a nanny placement service, we were never advertising, we were completely and totally overwhelmed, but we could not find qualified nannies to recommend to parents so we basically stopped the service.

In our assurance plan we are finding that more and more companies are getting involved and being supportive so at the present time we are meeting the demand, but it is as

growing a demand as it is a new market.

Mr. Chairman: Mr. Reycraft, are you finished?

Mr. Reycraft: So there really is not any service that you are presently providing where your ability to supply is greater than the current demand?

Mr. Pepin: That is correct.

Mr. Reycraft: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Sheppard?

Mr. Sheppard: Mr. Chairman, I would like to know do you follow the guidelines that the provincial government had laid down: so many children per supervisor or assistant supervisor or nursery worker?

Mr. Pepin: No, we do not follow those guidelines, we go beyond the guidelines. So, for example, in private home the government says you can have a maximum of five children in a home, we put the needs of the child first and we average two.

In our centre program the government says for school age children that the minimum ratio is 115; in the service that we operate in the area we operate, which is Flemington Park, which is a high-need, high-risk area, we are doing it at about one to eight to ten. And basically what we have to do is find the funds ourselves to enhance the quality, but it is based on the child's needs.

Mr. Sheppard: What percentage of the parents come from the middle class section?

Mr. Pepin: In our service?

Mr. Sheppard: Yes.

Mr. Pepin: Okay. In the private home day care program, of the 600 children 450 would be low income, special needs families. Mostly I would say about 80 to 90 per cent would be single parent, and over 50 per cent would be new Canadians.

Mr. Sheppard: New Canadians. Now, do your hours vary for people that have to go to work early in the morning and then get off at --

Mr. Pepin: One of the advantages of private home day care is you can provide services at any time. It is not like a centre which usually have pretty rigid hours. So we provide service for people who are working on shifts overnight, on weekends, as well as during the day. It is

difficult to find the overnight care. If we could pay our care givers more, than we would be able to find more. I mean basically they are being exploited now across the province where they are considered to be independent contractors and therefore paid considerably less than minimum wage. They are paid so much per child, \$15.00 a child per day in Metro Toronto.

Mr. Sheppard: Now, how often are your facilities inspected by the government if they are inspected?

Mr. Pepin: We have the provincial government that comes in at least once a year and does a random check of 20 to 30 per cent of our homes. Then we have municipal government that comes in sometimes a day after and does a whole series of checks in a lot of our homes as well, so there is constant random checking by two levels of government. In addition to that we have our own people, obviously, who are checked and counter checked and that kind of thing.

Mr. Sheppard: Do you have it inspected by a health nurse or the Health Inspection branch?

Mr. Pepin: It depends on the municipality.

Mr. Sheppard: Okay, Mr. Chairman.

Mr. Chairman: Before I take Mr. Mitchell, we had agreed yesterday, Mr. Cooke, in your absence that because of the short periods that we had for each presentation we would do it on a party-by-party basis. So unless you have some questions I would go to Mr. Mitchell.

Before I go to Mr. Mitchell. If you don't mind, I just want to get something clarified. You indicate at page 3: that "therefore we recommend that in the long term no public funds be used", et cetera. What do you interpret as the long term?

Mr. Pepin: We deliberately used the word "long" as opposed to "years". The reality is that slightly less than half of the spaces in Ontario are in the commercial sector, and I can't see in the next three or four or five years closing down the commercial sector or transferring it to the non-profit or government sectors. My sense is that we need a comprehensive plan to allow reasonable buy-out over probably a five- to ten-year period.

Mr. Chairman: And in the interim, because there is a recognized inequality between the pay scales of for-profit and not-for-profit, are you suggesting on the other side of the coin that public monies be used in some way to enhance there?

Mr. Pepin: No.

Mr. Chairman: No?

Mr. Pepin: No. All we are suggesting is the only public monies that go into the commercial sector are to pay for the subsidized spaces. That if the commercial sector were to take, the ones who make profits were to take those profits and use them for salaries, then that could be used as a way of enhancing the salaries of people in that sector.

Mr. Chairman: So you are not suggesting that quality be enhanced over that five- to ten-year period by some injection of money to supplement by way of direct grant of salaries or --

Mr. Pepin: Well, the quality can be enhanced in terms of enhancing the Day Nuseries Act which would automatically enhance the quality in the commercial sector, or which should anyway. The other quality issues: basically I think the commercial sector has to do what some of us do for our full fee. You have to charge fees that allow you to deliver quality services and so they will have to look at increasing their fees for those people who are not subsidized.

The problem that you get into with some of the commercial organizations is that they keep their fees really low for some full fee people and then when the government calculates what their true cost should be, and says your per diem should "x" amount, that is usually higher than what they charge to public. So then the government says well, we are only going to pay you what you are charging to public, which is a reasonable position, but if they up their fees to public then they could then enhance their services in a variety of ways.

Mr. Chairman: Mr. Mitchell?

Mr. Mitchell: It is really by way of supplementary to Mr. Sheppard. You, I believe used the word your under "constant" inspection.

Mr. Pepin: Yes.

Mr. Mitchell: And yet did you not say you get a visit once a year from the provincial people?

Mr. Pepin: We gets a minimum visit once a year when they do our licensing. They are also able to come in at other times, and have come in at other times. So, for example, you get your licensing person who will come in at the time of licensing and would then go through all your systems and all your files and then visit a high percentage your homes. Then you would get --

Mr. Mitchell: Excuse me, could I interrupt at that point? That is a confirmed visit. You know they are coming at that particular time because of licence renewal? I would imagine they would make arrangements that they would come in on such and such a day?

Mr. Pepin: That is by appointment. But the municipal, the program supervisors, who are different from the licensing people, also come in and, you know, talk to your staff and go through things and visit your homes. That also is by appointment. But the municipal people who come in and do random checks of all your homes generally is not by appointment. They just show up at the door.

Mr. Mitchell: There are no random checks by the province? By the provincial licensing people?

Mr. Pepin: There are random checks, but they are made by appointment.

Mr. Mitchell: That is the point I am making. They are we done with your knowledge that they are going to be there?

Mr. Pepin: Yes.

Mr. Chairman: I am sorry. Just the clarify what you are saying, the provincial checks then are on an arranged appointment basis?

Mr. Pepin: Yes, for us. They may be at random for other people, I do not know, but for us we do it by appointment.

Mr. Chairman: Are there any further questions from any members of committee? If not, I would like thank you Mr. Pepin for bringing this information to us. It will certainly assist us I am sure in deliberations. Thank you again.

I see Councillor Campbell is here. If you would like to come forward, Joanne.

Ms. Campbell: Now, I only have one spare copy of my brief. It did not photocopy very well so I stopped.

Mr. Chairman: Well, perhaps if you can give the spare copy to the Clerk she could have copies made for the members.

Ms. Campbell: I don't know if you are going to be very successful. These expensive computer printers that then do not photocopy the material.

Mr. Chairman: We won't delay in you making a

presentation. If you would speak into the microphone, identify yourself for the purposes of Hansard, and if you would like to start with your brief. Are the members content that Ms. Campbell start with her brief before we have copies of it? All right.

Ms. Campbell: My name is Joanne Campbell. I am a member of Toronto City Council as well as Metro Toronto Council. At City Council I am chair of the Day Care Grant Committee which we have at the city, which I am going to go into some detail telling you about.

At Metro Council I was the chair of the Metro Day Care Planning Task Force which has recently put out a blueprint for Metro's role in the provision of day care for the next number of years. We can actually get you copies of that day care task force report if you would like.

Mr. Chairman: Would members like to have that?

Ms. Campbell: It is a fairly comprehensive look at day care in Metro Toronto and it might be of interest to you.

Mr. Chairman: We will see if we can get that.

Ms. Campbell: I would like to make some observations that support the development of a strong non-profit day care system. I believe that Ontario is in a pivotal position with regard to the development of day care, both in our province and across the country. We are currently enjoying a buoyant economy in most parts of the province. Unemployment is relatively low and job creation is on the upswing. We are in the fortunate position of being able to look ahead in the next several decades and to begin to plan for day care services. It is critical from our experience with the City of Toronto Day Care Grant Program that we plan for the development a high quality, affordable, non-profit day care system for Ontario families.

The City of Toronto day care grant was initiated in 1983 to ameliorate the affordability problem that faces parents, early childhood educators and children.

City Council, after consultation with the province and Metro, determined that we could intervene by helping to raise salaries and keep fees down. We estimated that a three year period was needed to raise the average salary to the entry level Metro directly operated day care workers' salaries. In this third year, City Council approved day care grants totalling \$2.1-million. Currently there are more than 600 day care workers in a hundred centres in the City of Toronto who receive increased salaries and/or benefits directly due to our day care grant program. Parents of more than 4,300 children can count on minimal fee

increases as a result of the grant.

The initial goal of our day care grant program was twofold: First we wanted to strengthen and support the existing day care services. Since salaries are the large part of a day care budget and a critical component of quality day care, we decided to establish a grant to supplement salaries in non-profit centres. It is important to note that our city solicitor determined that the Municipal Act prohibits the city from giving grants to commercial enterprises, thus commercial centres are not eligible to receive our city day care grant.

Second, we wanted to take a leadership role that we thought could be supported by senior levels of government. We think we have done that. Mr. Sweeney has announced that the province intends to introduce direct funding to day care centres by the end of 1987.

Just to move off my brief for a moment to talk a little more personally about the day care grant program. We were very concerned about the crisis of affordability. We realized that the direct link between the day care fee and the budget of a day care centre is really salaries, with 80 per cent of a day care's budget going into salaries for the most part. We made, as a city council, an almost unanimous decision as a council to put up to \$3-million into a day care grant program, a very large commitment on the part of the City of Toronto which does not have responsibility for day care you will know - that is a Metropolitan Toronto, a regional government responsibility and, as a result, we have piloted a program of direct grants which I think could be quite useful to your government in looking at how you are going to move into the direct grant program. In fact, one of our staff people from Metro is going to be hired part-time at the Province to help you look at our experience in Toronto with the direct grant.

I would like to summarize the results of this grant initiative. The impact on salaries and enrollment has been impressive. Before the grant we estimated that the average full-time non-profit day care salary was \$12,214.00. As a result of two years of our grant program, the average salary, including the grant, was \$17,358 in non-profit centres in the City of Toronto. The grant has also had a dramatic impact on benefits for day care workers. Before the grant it was estimated that 31 centres out of 85 provided no benefits to staff. Now, the majority of centres provide some combination of OHIP, dental coverage and disability benefits.

Efficiency in use of spaces has also occurred because of the improved salaries and stable fees. The technical administration of our grant is instructive. Staff analyze a detailed application, a detailed budget, an audited

statement from each of the hundred non-profit centres that have applied to us. The Day Care Grant Committee, composed of myself, Alderman Christie and Councillor Rowlands, closely examine individual salaries and these factors: one the percentage of expenditures on salaries and benefits as a proportion of total expenditure in the day care centre; the existence of a surplus of deficit during the year; the proportion of revenue from sources other than parent fees or municipal subsidy funds; the proportion of expenditures spent on overhead costs including rent, utilities, maintenance and taxes. The results are conclusive salaries and benefits. In 1986, seventy out of a hundred centres applying for the grant spent 80 per cent or more of their total expenditures on salaries and budgets. The majority of 30 centres that spent less have spent large sums on rent and utilities. We would get a computer printout that would show us on one column what percentage of a day care's budget was going into salaries, and we knew immediately as we went down the list that if you saw something in the 60, 70 per cent range, that they were probably being charged huge rent wherever they were, that they had overhead costs that were really hurting the day care centre. But that 80 per cent on salaries is pretty consistent if a centre is not spending a lot on utilities and rent and that kind of thing.

Surpluses and deficits. Fewer than five programs indicated an operating deficit in 1986. At the same time very few centres maintained a surplus of more than five percent of the total annual expenditures. I understand it is reasonable for a non-profit organization, especially one that is wholly dependant on parent fees to retain up to eight percent which is one month's expenditures of total operating costs. This surplus is essential if enrollment drops or an emergency occurs.

Revenues from additional sources. It is not surprising to note that the majority of centres rely entirely on fees from parents and fees for service from the municipality on behalf of subsidized children. Donations from service clubs, grants from foundations and other charitable organizations and fund raising revenues are the exception, not the rule.

Occupancy costs. It is important to note that 70 per cent of those centres receiving the grant do not pay rent or occupancy costs. Most of the centres are located in Toronto public schools or in work places. These centres can direct all revenues to salaries and program costs. I believe that these figures serve to re-emphasize the tenuous conditions under which day care centres operate. Boards of directors of non-profit day care centres face sensitive decisions, balancing the needs of parents and staff while still balancing the budget is virtually impossible.

In general in the day care sector, there is no margin

for profit unless some aspect of service is compromised. From the City of Toronto's experience in administering our grant, it is apparent that the only way that profit can be generated is if staff receive lower salaries and if children get less program supplies, nutritious food or parents suffer the result of higher fees. Boards of directors provide an appropriate forum in which to make these kinds of tough decisions. More than 500 volunteers serve on such boards in Toronto. They provide an essential level of accountability; they meet to set policy and review program and financial issues. In most centres, boards include parents. In many situations they also include staff and/or other community members knowledgeable about day care. These community-based boards are in the best position to determine the allocation of scarce resources and to balance the needs of parents, staff and children.

Addressing the quality of care issue, I have discussed our experience with the economics of day care and to summarize, we have found that there is virtually no margin for profit. In addition to the economic reasons why the development of non-profit centres makes sense, there are issues related to the quality of care that argue in favour of non-profit day care as a means of providing day care.

Recently a study commissioned by the Special Committee on Child Care examined the commercial and non-profit day care sectors. The general conclusions based on ratings of a thousand day care centres across Canada are that, and I quote, "Non-profit care is likely to be higher in quality than for-profit care." And this superiority seems to hold on virtually all measures except availability and location of centres.

In the study, day care consultants from across the country were asked to rate centres according to a standardized scale. These consultants are the provincial licensing officers that are responsible for monitoring quality and enforcing the provincial regulations. They were asked to rate centres in detailed rankings on 27 measures. They considered measures of child development, services to working parents, health and safety, administrative and financial management, and responsiveness to community needs. When the results of the assessments of a thousand centres were totalled, it appears that one out of four owner/operated centres across the country is of poor or very poor quality compared to one out of every ten non-profit centres. Day care centres which are operated as part of a chain of centres remain close to the provincial minimum. Even in these centres, however, one out of six are below provincially accepted standards of care.

I think we have to consider these findings very seriously as we begin to shape the future of day care services in Ontario. I know that the study went on to

conclude that subsidies should be granted to commercial day cares as well as to non-profits. I disagree with that recommendation for several reasons. I believe that directing funds to the commercial sector will enhance a sector that already provides, on the whole, care that is of lesser quality. We know from the Cooke Task Force Report on Child Care that salaries for early childhood educators and commercial day care are 30 per cent lower than salaries in non-profit centres in Ontario. From the city's experience we have learned that monitoring the use of public funds is extremely difficult. There is no assurance that if public funds are directed to commercial day cares that they will be used to improve salaries, to expand the supply of educational equipment, or to improve the nutritional quality of meals.

In the case of the city grant, the board of directors in each non-profit centre is responsible for the distribution of the grant. In a commercial operation, however, there would be no formal accountability mechanism that would serve to balance the interests of staff and parents. If the grant were allocated to staff salaries in a commercial centre, then the operator could easily raise fees in order to maintain the same profit margin. In this scenario parents would not benefit from the increased government support. I know that one province has chosen to provide operating grants to both the commercial and the non-profit sectors. Alberta has provided substantial operating grants for at least five years. Day care centres receive as much as \$257 per month for each licensed infant spaced; that is approximately \$12 a day. In addition, subsidies for eligible low income parents are also available. Unfortunately there is limited, if any, evidence that these funds have improved the quality of day care in that province.

The available information indicates that salaries in commercial day care centres in Alberta remain low, statistics on day care salaries are incomplete; however, the provincial officials in Alberta estimate that the average teaching salary in commercial day care centres is less than \$5 an hour or less than \$10,000 a year. Training requirements are the lowest in the country. As I understand it there is no requirement for staff to be trained. Thus the likelihood of having a well planned, developmentally appropriate program in which many children spend 9 to 10 hours each day is limited.

I have outlined the experience of the City of Toronto in work-related day care and administering a salary supplement grant to a hundred non-profit centres. Our experience indicates that there is no margin of profit unless either salaries are held low, fees are increased beyond most working parents' ability to pay or program costs are held low. Our experience also indicates that formal

public accountability is needed to ensure fair distribution of funds.

Our concern about the quality of care for children leads us to support the financial enhancement of the non-profit sector. The experience in Alberta where substantial public expenditures have gone to commercial day care does not strengthen the argument in favour of enhancing the commercial sector. At the same time I am well aware of the need to expand the number of licensed day care spaces across Ontario. I am also aware of the needs of parents currently using all types of licenced day care.

I am recommending the following measures which will address these needs in Ontario: First of all that the province introduce a major capital funding program which will make funds widely available to initiate and expand non-profit licensed day care services. I might add here that the Metro Day Care Planning Task Force recommended and was adopted by Metro Council that Metro cost share in some of that capital funding to expand the day care system in Metro.

Secondly, that the province establish and fund non-profit development corporations in various regions of the province which will be charged with the responsibility of working with parents in community groups to establish non-profit services. The development corporation would provide the necessary technical experience to ensure that services are planned and implemented to meet local needs. The example of that of kind of thing that is operating now are the resource groups that assist communities with the development of co-operative housing.

Thirdly, the province introduce operational funding for all licensed non-profit day care programs.

Forth, that the province adopt a long term policy which reduces financial support of the commercial sector in the following ways: Establish 1993 as a target date by which the province will no longer cost share funds to purchase commercial day care services for eligible families. In an effort to achieve that target, the province will require municipalities to develop a transition plan. Beginning in 1988, the province will no longer cost share in any new purchaser service agreements with the commercial day care programs; (b), to provide technical assistance to commercial centres that wish to convert to the status of a non-profit corporation; (c), the province should take a pro-active role for commercial centres that formally indicate they will change status, operational funding will be made available as part of the change. The province should consider compensating owners for the start-up costs that they initially incur; for example, an owner of a centre could be paid a thousand dollars per licensed space by the

province. As well, the owner could sell the fixed assets which are largely equipment and supplies to the new non-profit corporation. The province would also undertake to establish a non-profit community board with at least one-third parent consumers as representatives. The owner could become one member of the board of directors. This new non-profit corporation would take over the licence to operate a day nursery and would be eligible to receive start-up funds. I believe that these preliminary recommendations are important to consider in designing a transition phase that will lead to the development of a network of non-profit day care centres in Ontario.

Just to conclude on a personal note, the City of Toronto has had a enormous concern about the level of day care worker's salaries. It has been our opinion in establishing our day care grant that in fact it is the day care workers who you are subsidizing the day care system now through low salaries. Given the fact that 80 per cent of a day care centre's budget is salary, and you have got to have food, and you have got to have toys and equipment, the only place to trim a day care budget it is in the salaries of the workers. And so we are now operating in a system that has very little fat, very little room to manoeuvre and the workers in the system are suffering for that. I believe very strongly that if we are going to make the kind of commitment to a government role in the provision of child care in a way that is not simply through subsidies to parents who are deemed to be in need but rather, to enhance the whole system, that it must be a non-profit system.

Thank you.

Mr. Chairman: Thank you, Ms. Campbell.

Mr. Cordiano, as agreed yesterday we are going to take questions by parties.

Mr. Cordiano: Well, thank you for your extensive brief. It was very interesting indeed and well thought out and I am sure that it is been a breath of experience there to work from.

I just want to look at some of your recommendations, because I think you hit the nail right on the head. We are talking about transitional stages which we are going to be facing in this province with respect to this issue and I think that what we have to consider is how that is going to occur and in what length of time that will take.

Let me start off by looking at your recommendation that each owner of a centre could be paid \$1,000 per licensed space by the province. What would that be, an incentive to convert to non-profit status?

Ms. Campbell: I think if one assumes that you have to move to a non-profit system and the logic of doing that, I think -- if we are talking about the kind of public finding of child care that I think the country is moving to -- I think what we have to do with the commercial centres is not say sorry folks, go find another way of making a living. If the data in briefs like the Adco brief is correct, then most of these operations are fairly small. I think we should be giving incentives to create non-profit corporations. What does that mean for the ordinary... I am not talking about the chains, but just a "mom and pop" day care shop. That mom and pop shop will probably tell you they do not make much profit anyway, that they basically make there salaries. So what is the difference between that centre and a non-profit centre? It is accountability is the difference. Their is not a board of directors. There is not the kind of structure in place that can ensure that when you are getting public funds that you have a mechanism for ensuring that you have accountability.

From our experience in administering our day care grant program, it is not an easy process. It is very difficult no give money to day care centres in the form of a direct grant, which is what we are we doing now, and ensure that that money is being directed at the places that it should be directed. If you do not even have a board of directors that you can deal through making those decisions, then I suggest to you that your problem is even more difficult. So that what I am suggesting in this transition phase is that we not dump the commercials but that we assist them through, and you can take my suggestion, I am sure there are lots of other ways of approaching it, but find ways to move them through a transition into become non-profits. And I frankly do not think that is a terribly traumatic thing.

Mr. Cordiano: Let us look at the potential cost in doing that in the short term. Potentially it costs the province \$40 million just in outlay of a thousand dollars per space if those spaces were transferred into a non-profit status, potentially it could be up to \$40 million. That is just to transfer the spaces on that proposal, but I do not think that is the major issue here. I think that that transition would take place over a period of time.

Ms. Campbell: That is right.

Mr. Cordiano: We would also have to look at the other factor and that is transferring or selling fixed assets and property, et cetera, to non-profit corporations. That would be a tremendous amount of money coupled with that, so you know, what we are talking about really is scarce resources making the commercial sector non-profit and we are not gaining any new spaces.

Ms. Campbell: Well, I think that in terms of your figures on the cost of this incentive to move, there are estimated to be 35,000 commercial day care spaces in Ontario. The provincial data, if you make any recommendation as a committee, it is to improve the data collection system because it is very difficult to get really good data from the provincial government on... anyway that is aside.

Mr. Cordiano: We can argue about that later. I can show you my figures.

Ms. Campbell: It is most difficult.

Mr. Cordiano: Our statistics come from your administration.

(Interjection)

Ms. Campbell: As a member of Metro Council I well appreciate the problems that the provincial government has in getting that data, but people bandy about enormously varying figures, even simple ones, as how many commercial day care spaces there are in Ontario. I think it is about 35,000, if you estimate that half of those were to convert to non-profit status. Some may choose not to as is their right. If you compensate each owner at the rate of a thousand dollars per space, you are talking \$17.5 million over, in my scenario, several years. So I do not think you are talking breaking the back in that conversion. The idea that -- I mean, I think you have to --

Mr. Cordiano: What about capital cost?

Ms. Campbell: Well, what I am suggesting is that the owner should sell the fixed assests to the new non-profit day care corporation so that the person would be adequately compensated and we would have to work out some scheme for determining how that would happen.

Mr. Cordiano: That could be potentially a large figure as well. The net value of some of these day care centres is in the property value of those places and I do not know if the leasing arrangements could be made or some sort of an agreement that way, but I can't see that as a likely scenario.

Ms. Campbell: You might want to spend some time looking into that, because in our day care grant program at the city we have a number of operations that are in fact owned by someone on the board and pay -- or, in the case of a church which owns a building and then rent is paid to that, I am sure you could work out a financing arrangement between the new and the old thing that would accommodate the need, obviously to fairly compensate that. Maybe they could

continue to own it over a period of time and pay a rental over a period of time that would lead toward purchase. I do not want to get too detailed.

Mr. Chairman: Before you continue, I just want to find out if there are any other members that wish to ask questions?

Mr. Johnston? Any members of the Conservative Party? Mr. Jackson?

Mr. Chairman: I am going to ask --

Mr. Cordiano: I see we are we constrained for time and there are a number of issues I would like to explore with you, but I think I will allow my colleagues to ask a few questions.

Ms. Campbell: We, as a day care grant committee, would be happy to meet with -- I believe you are the Parliamentary Secretary to the Minister? -- would be happy to meet with you at any time you would like to review in much more detail all of this stuff. We feel that we are the first to pilot a direct grant program and, in fact, our experience with that, I think, could be very useful to the province in looking at the direct grant.

Mr. Cordiano: I wanted to ask you about that but I will let... We can talk later about that.

Mr. Chairman: Mr. Johnston?

Mr. Jackson: Johnston or Jackson?

Mr. Chairman: No, Mr. Johnston.

Mr. Jackson: Thank you.

Mr. Johnston: I am sorry, Cam, I'm a little late. I got caught on one of our Metro roads; it was just under construction and I could not believe how long it took me to get here.

I do not no how you managed to be able to put together this kind of brief when you are doing your work on council plus your work on the sub. Do you sleep at all? That is incredible. I am very pleased to see you here. I also am impressed to see, having just read the Family Day Care Service Report, that there is an alliance, a new alliance developing between the Bay Street board of that organization and people like yourself and myself in terms of the whole emphasize on non-profit.

Can you tell us just a little bit about what you would advise in terms much your experience around the direct

grant history that you have, which thank goodness you did, to set up something that we could always refer back to as something that is possible within even maraginally outside of your jurisdiction in a sense, but it encourages an act by municipality. What were some of the problems?

Ms. Campbell: Well, when we first started this, a number of day care parents came to us and said we have a serious affordability problem, we set up a sub committee to try to figure out what role the City of Toronto could play in this. And the first approach was on a straight direct grant per \$5 for the infant, \$3 for the toddlers, the standard sort of thing that was described in the Katie Cooke Task Force, which was a direct grant to each centre on the basis of the number of children that are in the centre, and that would simply go as a direct grant. We did not do it quite that way, as much because the City of Toronto wanted to really address the issue of salaries in a very direct way. So we directed our grant specifically at salaries. We did not just give it as a direct grant on the basis of the size of your centre, we asked for pages and pages and pages of information from each day care centre to get an assessment of what the average salary program staff, teaching staff in the centre, what the average salaries there were, we then took the Metro average salary and that was our goal - to try and narrow that gap.

What we said to the centres, and this became enormously difficult and complex, unfortunately you would not have to go through this because we are operating in a system now that says that if Metro is subsidizing a child to be in a day care centre, you can't charge Metro any more than you charge the full fee-paying public. So the fee to the public for a regular day care space has to be the same as Metro is charged for a subsidy space. Therefore, if we were to direct our grant at reducing fees, what would have happened? Metro's contribution would have gone down. So if all we had done was reduce fees, we would simply have been saving Metro money through the fact that it would not have to put in as much subsidy for space.

That was not our intention at all. We wanted to make a political statement, first of all as a council feeling very strongly about the issue. So instead we went to salaries and what we told the centres was that in order to continue to receive the subsidy money for Metro at a fair level, what we wanted them to do was to marginally increase fees by the three per cent or four per cent or whatever was reasonable for the day care centre, we wanted them to increase salaries as much as they could under that budget, and we would give them a bonus that would then jump the salaries up without keeping the fees go up at the same level. So we went into straight looking at salaries. The problem with that is that it is very difficult and complex. What you end up in a way doing is rewarding the centres that

have not had the ingenuity to go out and -- we had one day care centre wherey they all took a part time job packing boxes in some company and donated their fund raising money. You know, the kind of innovative things that people come up with as a means of making some money. Those centres that managed to pay better salaries because of that got a lower grant from us because they were nearer the Metro average than another centre, so we found yourselves in a very odd position of giving higher grants to centres that in a sense had not done as much to help themselves and lower grants to ones that were paying better salaries through really careful management of their money and stuff.

We have had great discomfort with that but we have stuck to the salary thing because of the political issue because we needed to continue to say that day care workers couldn't continue to subsidize the system. My advise to you would be to go to a straight direct grant program that recognizes fees and salaries. If you are doing it from the provincial level then you do not get into the problem that we got into with having to figure out how you do not simply end up saving Metro money by reducing the fee and therefore reducing the Metro contribution.

So in terms of how you people do it, and I am quite pleased and confident that I think this government is going to, I think you should set the rate per child based on a realistic assessment of what the operating needs of a day care centre are and then administer it as a straight direct grant. But trying to link it to salaries is most difficult. Then what you want to do is set your standards for salaries and all that stuff that ensures that the money goes where it should, but I would suggest that you not duplicate our system because it is much too difficult. It was the only way we could do it, but it is much easier for you people to do it better.

Mr. Johnston: The only other thing I would like to ask you, is that the present delivery system is based on a welfare model and is done through your Social Services and that is we one of the reasons that your committee, of course, locally is involved in it.

If we move to the philosophy that you are talking about and direct grants to only non-profits and only having a non-profit sector, how do you see the delivery of the service in the future being? Should it still be through Community and Social Services? What role should the municipalities have in it? Et cetera. Have you dealt with that at all?

Ms. Campbell: Well, I chaired the Metro Day Care Planning Task Force which actually has examined Metro's role. We recommended going to the income stream of cap rather than the one that we are currently under. We think

that it broadens the eligibility for people. It is a much better way to ensure that people are getting subsidies. Whether or not -- I guess I put on my Metro hat and say that I would like Metro to continue to play a strong role as a participant in the delivery system. I think that we do it well; I think that the kind of community development model that I have suggested that has the encouragement of new non-profit centres to form, we can play a role in that with our own community development people. So I would argue that we continue to have a role in a delivery system and working as a partner with the province in the creation of new spaces.

I certainly hope that we will get away from seeing day care as a welfare service and assessing people's eligibility on that basis. I think that that is operating in a world that is long since gone in terms of attitudes toward who needs child care and why.

Mr. Chairman: Thank you. Mr. Jackson?

Mr. Jackson: Briefly I would like to ask you Joanne, with respect to the municipal role in terms of the recommendations which preceded yours and, as well, that you have alluded to with respect to the converting of existing profit centres. Can you foresee, given your experience with Metro's approach, can you foresee a situation where the province and the municipality would work out some joint incentive funding program in order to provide the funds for the conversion?

Ms. Campbell: I am not sure which hat to put on. I am on the Provincial Social Assistance Review Committee which is the committee that George Thompson is chairing that is reviewing the whole social assistance system in Ontario.

Mr. Jackson: Do not confuse us with more committees.

Ms. Campbell: The reason I hesitate on your question is that you are into the whole question of cost sharing. Certainly we have one of the best day care systems in the country here in Metropolitan Toronto. We have 15,000-odd subsidy spaces; we are a major player in the day care scene at Metro Toronto. That is not the case, as you well know, throughout Ontario, and I think one would have to be very careful if you want to deliver a quality system that is in fact not so discretionary that you end up with Toronto getting good care but -- I do not want to pick a place where you people are from -- but another part of the province not getting as good care, you do not want to end up in a system where parts of the province are unable to get good quality child care because of the either financial or political constraints of a local municipality. So I would tread very easy on how far you go into requiring local government cost sharing on it because what you are going to find is then the

disincentive to provide the service because the local municipality is not going to want the put if money in. And that is the dilemma that we are facing overall in the social assistance review.

We have across this province a lot of discretion in welfare, in family benefits - throughout the social assistance system, and the problem is that what that means is that as you move across the province it very much depends on where you live what kind of quality service you are getting. And so I would argue for an involvement at the local level. I think that certainly from my experience we do it well at the municipal level, but I think I would be careful on imposing more cost sharing on this than you can expect the municipalities to bear, otherwise you are just going to end up with them all either fighting you on it or just opting out of programs.

Mr. Jackson: Then you foresee a fairly solid provincial commitment, but if the demand is greatest in the urban centres is that as equitable if the totally generated provincial dollars are applied to that solution?

Ms. Campbell: Well, I guess I would leave that up to your judgment. It seems to me that there probably is a lot greater demand in the rural areas than we have imagined. Certainly as we have moved across the province into the Social Assistance Review Committee we have not heard that these issues are city-specific that, in fact, I think you need different kinds of programs; I think you need more flexibility in how you deliver your system in areas that don't have the kinds of concentrations of people. But I would suggest that this is as much a small town issue as it is a large one as more and more women move into the work force which is going to be more and more necessary.

Mr. Jackson: That is why I raised the question. Because it seems that some of the models that have existed in Ontario are that we initiate programs at the provincial level but then, because there is not a major commitment from the municipality, it is hard to get into the program or get on the program. We are discovering that in some of our elderly services and so on. And to the extent that this committee is charged with the responsibility of developing recommendations for the entire province that we are definitely going to need some more concrete thought in the area of municipal involvement because it is the underpinning of the successor of the conversion approach which seems to be coming at us in large numbers. But it begs the resolution of the question of generating the funds and finding the various partners. We can in terms of the management, in terms of staffing, but in terms of dollars generated we are still, as a committee, there is huge void there that needs more clarity. You have been helpful.

Ms. Campbell: Yes, it is a problem. I know from my experience on the Social Assistance Review Committee, that if you start to mandate municipalities to put more money in, you are going to have a great big political fight on your hands. I think the province should probably accept the fact that the provincial level of government and the federal level should be the primary funders of social services, and this being the very kind of thing that is a senior government responsibility to fund. If you try and sell municipalities on an increased contribution, you are going to have trouble getting it implemented, I think. So my suggestion would be not to try to fight that fight.

I would also just like to say that I think that those of us who spend a lot of time thinking about this issue realize that you need a comprehensive system that meets a lot of varying needs, that not everybody is going to be in a formal day care centred space in a rural community. Things like the kind of program that John Pepin just described with supervised private home day care which are much more accommodating to local needs or the kinds of things that we are going to have to implement in a much more comprehensive way, otherwise you are right. Parts of the province will feel that these are programs that they are funding through their taxes that are not benefiting their people.

Mr. Jackson: Finally, Mr. Chairman, and I will just ask for a short response if I could, and that is Richard Johnston asked you the question about other models and you are saying that you would like to get it out of the welfare structure and broaden it. I guess we were looking to see any comment of your opinions with respect to it being developed within the Ministry of Education on an expanded basis. I would like your comments on that because that was raised yesterday and I think that is one of the options that...

Mr. Chairman: I would hate to see her answer that in a short answer.

Ms. Campbell: There is a great debate about whether or not you move the education system right down to zero or six months of age or whether you don't.

Mr. Jackson: I am asking for your opinion.

Ms. Campbell: My own opinion is that --

Mr. Jackson: You are here as an alderman.

Ms. Campbell: No, I am here on my own.

Mr. Jackson: I want to know your opinion.

Ms. Campbell: I guess my opinion is that I would,

while I will think it is important to use school facilities and take advantages of those things that the school system is able to offer, I would be on the side of not having this as done completely through the Ministry of Education as an education service. I think that this is good child development; it has emerged through a system that is not under education and I would probably come -- you have asked me a very difficult -- if you want a simple answer, I would say I would prefer it not to be under the education system.

Mr. Jackson: Thank you.

Mr. Chairman: Could I just have clarification of one thing. You said to Mr. Johnston that you would recommend direct grants as opposed to the salaries. Just direct grants.

Ms. Campbell: Well --

Mr. Chairman: Excuse me just for second. I gather that was with reference to not-for-profit centres?

Ms. Campbell: Oh, yes. You see, the first thing we did when we went to establish this grant was to write to the city solicitor and say, "Can we do it?" He wrote back and said "No". The Municipal Act does not allow us to bonus commercial enterprises. So there was no question. It was not even a debate for us. You are not allowed under the Municipal Act to bonus a commercial enterprise and so it was not even on the agenda.

Having done that, the question of whether or not you direct it specifically at salaries or whether you are just giving a direct grant that has certain goals inherent in that, I just think that we got ourselves caught in the relationship between us, Metro and the province and it was complicated. I think you should be instituting a straight direct grant program with some very specific goals in it that relate not just to salaries but to fees and quality.

Mr. Chairman: All I wanted to know was if it was directed to the not-for-profit. And just finally - you may have indicated this to those who were questioning - what would you do in the interim over this transition period we are talking about to enrich the service provided for the for-profit sector? How would you deal with that?

Ms. Campbell: As I tried to suggest at the end of my presentation, I think that what you want to do is to develop a transition plan to phase yourselves out of the commercial sector with incentives built in to the commercial centres that would like to convert to non-profit. I think that in fact you would have a large take-up on centres perfectly happy to convert. I think as long as the incentive is not there to do so they will continue to operate on their own

without a board of directors and it is much easier not to have to have a board meeting every month or whatever. But the fact of the matter is that we are talking about public money and I think that you want public money to go into child care that is accountable and I don't think you want to spend all your money on a system of enforcement and regulatory people out there checking. I think you want the accountability to be built into the system, and that is through boards of directors that have community representatives on them that can be held accountable. So I think you phase it out.

I think you ask each municipality to determine, to set a transition plan. I have suggested 1993 at the target date. I think that that is something that -- that is my suggestion; you do not have to take that as gospel -- but I think what you want to do is make it very clear that you are moving away from that, that you are not going to dump the commercial sector tomorrow, but you are going to ask that there be a phasing out and incentives built in to convert to non-profit.

Mr. Chairman: Okay. Thank you very much. It is a pleasure having you before us and, as usual of course, I first met Joanne at the Hunter Conference. She is a very interesting person. I think you have proved that by your brief. Thank you.

Ms. Campbell: Thank you.

The Acting Chairman: The next group we have is the Women's Perspective Advisory Committee. Diane Poole, could you come forward, please?

Ms. Poole: Thank you. I am sorry, Mr. Chairman. We believe in numbers so there are four of us.

The Acting Chairman: That is great. I see you have brought some friends along. I think there are a couple of microphones there and, if not, there are some others at the sides.

You do have a brief?

Ms. Poole: Yes, we do. I believe it is just being distributed.

The Acting Chairman: You can start in any way you would like. If you would like to present the brief or just talk about it, it is entirely up to you.

I am sorry, I do not often do this job.

Ms. Poole: Good morning, Mr. Chairman, Honourable Members of the Committee. My name is Diane Poole and I am

chair of the Women's Perspective Advisory Committee.

I would like to start by introducing our panel today. To my immediate right is Andrea Doran; to her right is Nicholette Caccia; and at the extreme right is Catherine Swift, who was very instrumental in putting this brief together on very short notice. The fifth member of our group, Gloria Pollock, was unable to attend today because she has a teaching commitment and York University, so I am sure you will be delighted to know there are only four of us instead of five.

Before we begin our presentation, I would just very briefly like to give you some background as to Women's Perspective, who we are and why we are here. Women's Perspective was initially established in 1982 at the request of David Peterson when he was Leader of the Opposition. He wanted a grass roots women's perspective on policy issues to be given to the caucus. We have developed into quite a strong policy group over the years which has, I think, transcended party lines. Although members of our executive are card carrying members of the Liberal Party, many of our members do not belong to any political affiliation and all we ask is that they be small "l" liberal in philosophy.

We have made four appearances before government committees: the initial one was about a year ago when the new Family Law Act was being discussed and we successfully lobbied with major Jewish groups to get provisions concerning the Jewish divorce issue, the Get issue, put into the Family Law Act. We were here last fall concerning child care again on behalf of non-profit day care, when we again made a very successful presentation and had day care exempted from Bill 131, exempted from business taxes.

Just recently we had a pay equity sub committee speaking to that legislation, Bill 154, and the committee complimented them on bringing a slice of life, a slice of reality, to the committee. That is basically the background.

I believe that yesterday you were given a copy of our 1986 brief which, although I am rather biased, I think gives a very concise background of child care and why we believe in the philosophy we do. Today we are going to specifically address non-profit day care versus profit day care, but I would again, very briefly, like to mention a couple of principles before we get into that.

Firstly, it is our view that any successful child care strategy has to be flexible. We do not recommend that one type of child care should be supported by policy and public funding at the expense of another. Day care is only one of the options, but a very important one. I think one of the first things we have to mention is that the status

quo is not an option. Current provisions for child care in Ontario are inadequate in terms of quality, quantity and accessibility. We also believe very strongly that the situation is not going to improve, indeed it will worsen.

A third principle is that if publicly funded day care is to be made widely available it must be offered to all parents on an equitable basis, not only to those parents with full-time employment outside the home, parents who are attending school or retraining who work on a part time basis, a volunteer basis, or who want to pursue other activities other than full-time child rearing must also have access to day care. And finally, the most important underlying principle is the firm belief that child care is a societal responsibility and we do not mean to detract from parental responsibility in any way, shape or form. But we feel this rather adds to it.

One point of interest I think in our initial brief submitted to you yesterday that has to be worth reiterating, is that the current attitudinal barriers that we face by proponents of publicly funded child care are virtually identical to what we faced in the mid 1800's as far as public education and the early 1900's as public health care respectively. Consequently, 50 years from now the concept of public child care should be accepted as those earlier policies are today.

Ms. Doran: The care of young children by persons who are not their parents is now a widespread fact of life. Whether we approve or not, parents make a variety of child care arrangements. They do leave their children for up to 12 hours per day in environments over which they have very little control. In the last decade we have seen this enormous demand for day care being satisfied in part by day care centres and nursery schools. A quick survey indicates full enrollments and sizable waiting lists. Especially for infants demand for centre care is high, even though the prevailing opinion is that group care is not as superior as individual care for very young children. It seems clear that parents are indicating a preference for care with certain assumed levels of quality.

Mr. Chairman: I wonder if you can tell us: we were following your brief and suddenly you have jumped ahead or something?

Ms. Doran: No, I am sorry. I am in the redefinition of day care part, but I am not reading from the brief.

Mr. Chairman: Oh. All right.

Mr. Johnston: We will do our best and muddle along.

Ms. Poole: We like to confuse you, you see. We

follow the pattern to a certain point, but if you get totally lost just look at the cartoons.

Mr. Chairman: I was trying to figure that out.

Mr. Chairman: Go right ahead.

Mr. Doran: Everything I am saying is in the brief. I am just wording it differently.

It seems clear that parents are indicating a preference for care with certain assumed levels of quality. They want curriculums, posted menus, professional teaching, early identification of problems and suitable physical surroundings.

Parents perceive centres as providing an early education for their children and not just a custodial centre. In fact, in our view, we should see day care, early childhood care, as primarily educational. As such, we recommend that day care funding and responsibilities for licensing be moved from the Ministry of Community and Social Services and put into a new ministry, perhaps called Ministry of Early Childhood Education. We would prefer that early childhood education not become an extension of the Ministry of Education and tied in with school trustees. Instead we would like to see a system, unlike local school boards now, involving parents making decisions for their own children's centres and that can best be done on the non-profit centre model. However, because elementary schools are constructed in child-size dimensions, we would like to recommend setting aside space in every elementary school in the province which would reduce the capital cost in starting up new facilities. Start-up grants for such centres should come from the province and not the municipality and be available only to not-for-profit groups in order to maintain public ownership of capital equipment.

And that generally sums up what we are doing in the redefinition of day care, viewing it as an educational opportunity for children and not merely a custodial situation.

Mr. Chairman: Thank you.

Ms. Caccia: If we accept that the care of children is the joint responsibility of society and parents and we also accept the concept of early childhood education principles, it is clear that the balance between profit and non-profit day care will have to change. Right now it would seem that both are very important to the system, but we feel that if you accept the principles of early childhood education, that there will be more of an emphasis on non-profit day care.

In any given neighbourhood, both profit and non-profit

centres charge about the same rates and thus it means that if a profit day care centre is charging the same as a non-profit centre, the money that goes towards profits is coming from somewhere else. It would have to come from two places: it can either come from the wages of the staff, which would mean that they are not necessarily able to attract the best workers and also it means that there will be a high turnover because if you are not paid phenomenally well and you see a job opening up somewhere else, then you will go there, so there will be a high turnover of staff which is really not very good for small children. They sort of depend on having the same people there. If it is at the expense of the children, you could have it: the food may not be as good, the staff/child ratio might be a little bit skewed, the equipment will not be as good and the programs will not be as good. So somewhere the money that is going into the profit is being taken from either the staff or the children, and if it is being taken from the staff in the end it is the children who bear that cost.

In addition, the underlying concept of early childhood education is incompatible with the kind of profit day care that just sort of says: We should take the children off the streets, we should make sure that they are out of trouble, that they have somewhere to go after school or they have somewhere to go while their parents are working and they can just play or do whatever else.

We think that it is very important to include the concepts of early childhood education where a child is introduced to numbers and colours and the development is well regulated and also that you would have identification of problems early; things like deafness, things like speech problems, things like learning disabilities, which is being shown if identified early you can do a lot more good than if they are identified at 6, 7 or 8 when they are already in the school system. An ounce of prevention is worth a pound of cure later on.

We do not feel that our proposals proclude profit day care. There is definitely a place for it just as private schools exist to fulfil a specific need in the educational system. Profit day care centres, we feel, will fulfil a need for some people for, you know, certain religious groups or for certain interest groups or whatever else, but we do not feel that in the end they should be publicly funded, the same way private schools are not publicly funded. You would need to have them licensed and you would need to have them checked for safety, but we do not feel that public funding, in the end, of profit day care centres, is an important part of the early childhood system.

Because we realize that there is a great reliance on profit day care right now for a number of people because there are not that many spaces, we feel that there should be

taken a period of time in which funding for profit day care centres is slowly phased out and you have increased funding for capital costs of non-profit day care centres so, in the end, all the public money goes towards non-profit day care centres.

One of the most important aspects when you look at child care is that of the cost: who bears the cost? How much money are you willing to spend for day care? We feel that if you feel that child care is a shared responsibility between the parents and the government that you should also have a shared cost between the parents and the provincial and federal governments.

We propose a 20/80 split, with 20 per cent of the cost being covered by the parents and 80 per cent of the cost split between the federal and provincial governments. The reasoning behind this split is that about 80 per cent of the cost of day care arise from the salaries paid to the child care workers. And over the next few years if we move towards an early childhood education system, it would necessitate a higher quality of staff, staff that were trained in early childhood education, and thus you would have to pay them higher wages to attract well qualified, good staff. And so if the government were funding the 80 per cent, which would be the one that was changing the most in the staff, then it would be bearing that cost and it would encourage and allow parents to place their children in the early childhood education system. But we do not feel that this split is a permanent part. I think that after about five years, once the system is up and running fairly smoothly, that the 80/20 split should be reviewed. And this split should also be fairly flexible in that parents who can afford more would be required to pay a bit more and parents who could afford less would be subsidized. The ability to pay could be assessed by a very simple means test as has been proposed by a number of people.

This would benefit those of moderate income. Right now those who have very little money have subsidized spots in a number of places and those who are well off can of course afford quality day care, but those of moderate income are in a tight place.

The federal government has proposed a sort of a tax credit system. We see three very large problems with that. First of all, the size of the tax credit really is not big enough to benefit middle income earners. Just if you look at, you know, day care where you can get receipts or whatever else, the size of that credit is really not large enough to compensate them for the costs that they are bearing. Even if you look at a 50/50 split it is still not enough. The other thing is it does not address the very important problem of the shortage of day care spaces. You can give people tax credits all they want, but if they have

nowhere to put their children they can't use that tax credit space and there is really a big day care problem. And the third thing is, even if you are getting the tax credit there is a problem with cash flow considerations. You get the tax credit in the year after you have paid out the money and for a lot of parents, if they are paying out \$5- or \$6-thousand, or whatever it is for their child to be in day care, that is the money they pay in 1987 and then they get their tax return back some time in July '88. So it is almost up to a year of difference between when you pay the money for your child and then when you get the tax credit back, so the initial outlay is quite high and I would think it may be difficult for a lot of people to afford that initial outlay.

So we feel that we have two basic principles: first of all that if you accept the early childhood education system that there be an initial split 20/80 between parents and the government, which would then be reassessed after five years; and there has to be some other kind of helping to share the cost of day care with parents other than the tax credit system which is being proposed by Ottawa.

Thank you.

Ms. Swift: One aspect that we have not discussed as yet, is the role of the private sector in day care. Generally speaking, business is not favourably disposed toward dictates of government, as we are all aware, and so as a result we believe that the private sector should be encouraged to play a role in day care through an incentive type of system and that this should be a very flexible system. Presumably the corporate sector will also be supporting day care indirectly through a tax base means.

The different means of direct corporate participation in a day care system could be some examples as follows: such things as tax incentives to establish work place day care facilities. Work place day care again is only one option, but it could potentially provide reasonable day care for a certain proportion of parents who would like work place day care.

Despite the fact that we strongly support non-profit operation of day care facilities, there is no reason why the physical plant, so to speak, of a day care could not be privately owned, and this perhaps could be encouraged through tax incentives. Another example of possible means of corporate participation is to permit increased coverage for buildings that are not yet built. This of course was done with the Scotia Plaza development. It is currently being built where the building was essentially strong or the builders were essentially strong-armed into putting in a day care but they were permitted certain offsetting advantages.

One other example, and again these are only examples,

there is undoubtedly a multitude of ways that one could encourage the corporate sector, but something like incentives for employers to offer employees the option of time off to participate in the co-operative parent participatory day care. I talked to some private sector people who are quite responsive to the notion of giving an employee a half day off every two weeks; just as an example, to participate in a co-operative parent participatory day care. These types of options and allowing some flexibility I think would receive a much more receptive response from corporations. And certainly, recently, there seems to be an attitudinal change going on where corporations are generally becoming more kindly disposed to the day care issue partly for reasons of corporate conscience and so on, but also partly realistically that they are realizing their valuable female employees, the bottom line is benefited if they are comfortable - and male employees as well - with day care arrangements.

And the basics two preconditions that we feel are essential is that these policies be incentive based as opposed to being imposed on corporations, and that they be flexible and allow a number of different options of corporate participation.

I notice that in the earlier presentation by Miss Campbell, the non-urban day care issue came up and we would just like briefly to mention that in our research this does seem to be an important issue that has to be kept in the forefront, especially when it is easy enough get focused on Metro and realize that perhaps Metro facilities are not all that bad and the problems are therefore really not all that terrible.

Most evidence seems to suggest that for a number of reasons, partly different attitudes in non urban areas, perhaps different levels of social service in general, profit day care tends to predominate in rural Ontario. Because profit day cares are the only ones available, public funds are naturally being routed towards these profit day cares and, generally speaking, profit day cares tend to employ less qualified workers for reasons Nicholette mentioned earlier and, as a result, there is a different quality of day care in rural areas than that available in large urban centres. And we just believe that this particular principle should be kept in the forefront for any policy in this area and that our proposed system of early childhood education, for instance, one of its basics goals is the establishment of uniform day care standards across the province. And that is another reason for provincial administration of such a system as opposed to municipal or some other level of government.

Moving into our conclusions. Generally speaking the need for a more adequate child care system is certainly

becoming increasingly accepted by all important groups, government, parents, the private sector. Of course, the major reasons for provincial government involvement, in particular is to improve access for those who cannot afford it; improve the quality of child care for all as well, and we believe that provincial administration is important for reasons already mentioned. Establishing quality affordable day care as one component of a comprehensive child care system will also make a very vital contribution to the achievement of full equality for women in our society.

Our major recommendations are as follows: All public funding for day care should be directed to non-profit day care facilities; in particular, public funding should be made more readily available for start-up costs of non-profit day care centres. As previously noted as well, realistically a phase-in toward a completely non-profit system in terms of who is receiving the public funding is certainly realistic to at least maintain the same number of day care spaces as are currently available.

Second recommendation, publicly funded day care should be made available on a universal basis, and not only to parents who are employed full time outside of the home.

Three, zoning tax base and other incentives should be provided to corporations to encourage the establishment of day care facilities on corporate premises and favourable consideration should also be given to corporations that permit employees to use other child care options, such as flexible hours and perhaps some time off for participation in co-operative day care.

Four, the cost of day care should be divided between government and parents on an 80/20 per cent basis with the federal and provincial levels of government splitting the government share equally. This division of cost should be reviewed within five years with a view to increasing the parental share at that time.

Finally, a Ministry of Early Childhood Education should be established to oversee and regulate licence and otherwise administer a comprehensive child care system in Ontario including day care.

Thank you.

Mr. Chairman: Thank you. I have Mr. Johnston. Any other members of the committee wish to ask questions? That is not an invitation by the way. Mr. Johnston?

Mr. Johnston: Mr. Chairman, as a New Democrat it is a particular delight to have Liberals coming before the committee with these kind of proposals.

Mr. Jackson: At least some Liberals come with that.

Mr. Johnston: You have been around for a while as Ms. Poole was saying and some of you are going to be very high profile Liberals from this point on, and congratulations on your nomination.

Ms. Poole: Thank you.

Mr. Johnston: You know that the policy direction that you are putting forward here is not that of the present Minister of Community and Social Services. You had a document last June which I presume he was aware of.

Ms. Poole: It was presented to the Minister.

Mr. Johnston: And you have this today, which again I applaud, and a couple of small questions I would have about it, but otherwise I am in agreement with the direction you are going in. We are going to write our report next week and we are glad you are here today to persuade Mr. Cordiano and others that this is a wise approach you are taking.

What have you been doing within the party or direct meetings with the Minister to try to move him away from this notion of direct grants to commercial centres which he seems to be quite fixated on?

Ms. Poole: I would like to mention that we do not speak on behalf of the government and we are quite independent in that, and certainly there has been no attempt by the Premier or the cabinet or caucus to muzzle us in any way.

Mr. Johnston: Clearly.

Ms. Poole: Sometimes what we want is the ideal solution in this best of all possible worlds. It is not possible to have ideal solutions, but this is what we would like to target for and I think if you go through our brief you will find out our major premise is there has to be a basic attitudinal change towards child care, that it is a societal responsibility and not simply a parental one and that if we put our children in deep freeze then we will pay the price in the generation to follow. So I think although there may be differences in some of our attitudes with the Minister, he respects what we are saying and the fact that we are independent in saying it. But we do hope it will have a long term influence and the Minister has sent some of his staff to our Women's Perspective meetings. We meet on a monthly basis, on a regular basis, because he is interested in hearing our grass roots perspective.

Mr. Johnston: Have you met with him?

Ms. Poole: Yes, we have. We met with him not recently. We met with him last June to propose our brief, to present our brief and since then we have had a number of conversations with his policy adviser.

Mr. Johnston: Unfortunately the policy of funding or proposing funding of commercial centres has come up since then.

Ms. Poole: That is right.

Mr. Johnston: Have you any planned meetings with him at this stage?

Ms. Poole: We will would like to meet with him in near future to discuss it. At the time we did our brief back in June 1986, we did not specifically go into profit versus non-profit and that is why we have done this second brief to specifically try to target those concerns.

Mr. Johnston: You say that yours may be seen to be the ideal approach rather than the politically realizable approach kind of language that Mr. Cordiano has been using lately. But do you not or do you see -- I see -- let me pose it this way rather than to lead you. I see it as a real danger in terms of meeting the goals that you have established here of universally accessible system and something which in fact might even generate a new sub ministry or whatever within education, of us moving in the direction at this stage of changing present policy and funding the commercial sector directly? In fact that could be very counter productive, not just something which may be difficult at the moment to deal with transition like Miss Campbell was trying to deal with us in the last presentation, but if we actually move to giving direct grants now to commercial sector we, in fact, could be moving quite away from the general philosophy of what you are proposing and what people like me are thinking is necessary.

Ms. Caccia: One of the things we have said, is that we feel that because right now there is a shortage of spaces and non-profit and profit day care centres both provide a large number of spaces, that right now we feel that there is no way other than funding perhaps commercial day care centres, but there should be an underlying principle that this is a very transitory thing and that you are not moving towards a system that has profit and non-profit systems equal and that they are both funded equal.

Mr. Johnston: Where did you say that?

Ms. Caccia: I said it fairly early.

Mr. Johnston: That we should be funding for

commercial centres now?

Ms. Caccia: No, no. We were saying that we feel that we should be moving towards -- that there is a transition period right now and we should be moving towards complete public funding. I think it is on page --

Mr. Johnston: But we do not have direct grants for commercial centres at the moment. I mean, they have subsidized spaces, and they do that less than the non-profits do and then they can charge whatever they think that the market will pay, but we do not have direct grants.

My question is this new policy proposing actual additional moneys through direct grants to those commercial sectors? I see it as being running counter to what you are suggesting. It is not just a question of degree, it is running in another direction which takes us away from some of the concepts you are dealing with here.

Mr. Chairman: Excuse me, Mr. Johnston, before you go on if I could just enquire. Would committee be prepared to sit for an additional 15 minutes because, as you know, we have another... If not we will we ask her to come back this afternoon, which I would hope we do not have to do. Would 15 minutes beyond the hour be agreeable to all parties? Do I see a consensus?

Ms. Friendly: I can come back after lunch.

Mr. Chairman: Oh. So if we get you on and get a little bit of it. That is fine. I just wanted to see if we could accommodate you.

Ms. Hart: Mr. Chair?

Mr. Chairman: We have a fairly large --

Ms. Hart: Hey.

Mr. Chairman: Yes.

Ms. Hart: Could I please say something? We have a very full afternoon. If we are going to stay an extra 15 minutes, why don't we do it before lunch?

Mr. Chairman: I think that would probably be better. Do we have a consensus that we are here until 12:15?

Mr. Johnston: I think it would be much better to sit through right now or as soon as possible.

Mr. Chairman: I gather, not hearing anything in the negative that we have a consensus. Mr. Johnston, if you

would like to continue?

Ms. Poole: I will would agree with Mr. Johnston's comments. I think as a committee we certainly do not agree with the direct funding. And I think what Nicholette was trying to point out is that there will have to still be subsidies to the profit day cares in the meantime until it phases itself out, but that we are not suggesting that as of tomorrow that all people receiving subsidies who have children in profit day cares instantly that funding would cease.

Mr. Johnston: Two small questions: One was, you were here for Joanne's presentation, I gather. Have you had any chance to discuss the notion of transition and the kinds of incentive that she was talking about, going to profits that wanted to become non-profits?

Ms. Swift: I think we were in for the tail end, so I don't know that we got her full set of recommendations actually.

Ms. Doran: In my opinion, it would seem to me cheaper in the long run for the province to actively set up many more non-profit centres than it would to go through a transitional phase where you eventually buy out for-profit centres. I feel a question, how you would come to an evaluation of the centres that you are trying to acquire or to change over, how it would be affected and where the non-profit organizations would be able to raise the funds in order to acquire these existing organizations.

In fact, however, I think we should not lose sight of the fact that these for-profit organizations are already in place, and I think there is a place for them in a child care system similar to the place that private schools have in the elementary and high school system. In fact, there is a perception among parents now that private schools provide a higher quality of care than the public system does. For example, Upper Canada College is a highly desirable place to send your child - at a huge cost when free education is available. I think private ownership in day care might be able to provide, with that kind of persuasion and market, an even higher quality of care than we can legislate in a public system. And I would like to see a movement in that direction.

Mr. Johnston: Like Upper Canada, you don't want direct grants to go to Upper Canada, I gather?

Ms. Doran: I think parents are willing to pay higher fees for perceived higher quality of care. I can see that right now in Montessori Nursery Schools, for example. Parents are paying much higher costs and happily, and sending their nannies along with their children to bring

them and pick them up at lunch time. There is no hesitation on their part. They have huge enrolments, large waiting lists and they grow in size and numbers every year.

Mr. Johnston: I don't think there is anybody on this committee who would disagree with that notion of them being allowed to flourish in that market. And I was arguing yesterday with Mr. Cordiano that in fact with the huge number of kids of day care age that are out there who are not being serviced in a formalized system at the moment, they have this wonderful market they can go to. They are not going to disappear anyhow and, as you say, there is not a scale market that can afford even higher quality services. It is just ironic that in fact the private day care has not provided better service than the non-profits up to this point.

I have a number of other questions, but I am hoping Mr. Jackson and others will cover them instead.

Mr. Chairman: Actually they've not put their hand up. I think we have a very brief comment by Dr. Henderson and then we are going to go on to the next delegation.

Dr. Henderson: I think in the interest of time I will withhold my comments, Mr. Chairman.

Mr. Chairman: Thank you very much for coming forward.

Mr. Johnston: I did want to hear some Liberal questions at this point.

Mr. Chairman: Your brief was very interesting and perhaps at this point you have clarified for Mr. Johnston the entire issue.

(Interjection)

Mr. Chairman: Thank you very much.

Ms. Poole: Mr. Johnston, we would just like to make it perfectly clear that you are not to use our brief against our own members.

Mr. Johnston: I would never do a thing like that.

Mr. Chairman: And now, to end the afternoon session, we have Ms. Friendly - or the morning, I should say. Good morning, Ms. Friendly.

Ms. Friendly: Hello. I was waiting to see if you were going to think you had had enough the other day.

Mr. Chairman: Oh, no. No.

Ms. Friendly: I will try to be brief because I am coming back to the committee. I am not sure whether you want to ask me some questions? I had some comments, some observations that I would like to make, if I may, to begin. I'll keep them pretty brief and you can see where it goes.

One thing that I really want to point out to you is, I am sure you are aware that the Family Day Care Services Board which made the decision to adopt a non-profit position, is a very strongly corporate board. I mean, it is people who are placed in Bay Street law firms and things. And I really want to emphasize --

Mr. Johnston: It is a Rosedale board, isn't it?

Ms. Friendly: Yes, so it is.

I just want to emphasize that I think that this issue is gaining some breadth and it is not any longer an issue where it is just a few day care advocates that are promoting this issue. I also wondered if you are aware, when John Pepin was talking about regulated private home day care, that there are commercial private home day care agencies? I just would like to explain to you that the women who are doing private home day care in the province under regulation in their own homes, under an agency like his, make about two dollars an hour. That is an average that was established in a survey that was done for the Katie Cooke Task Force.

There are a number of those in the province that are run as commercial operations, and I think if you think about the whole concept of commercial day care and extend that to the notion of commercial private home day care, I think it extends it even further. I think that is something that you should be aware of.

I would like to make another comment. Something that I have been hearing since I have been sitting in these proceedings is this notion that if direct funding is given to the non-profit sector we expect that the commercial sector will close its doors tomorrow and we will lose day care spaces all across the province. I would like to point out, I don't know if you are aware, that two provinces have done exactly that, they have given substantial direct grants to the non-profit sector only: Quebec and Manitoba. And in fact, Manitoba never has given new subsidies to commercial day care programs since the time that they began the direct grant program to non-profits. Still today, in Manitoba, about a fifth of the day care is commercial. The notion that the commercial sector would close its doors tomorrow is, I think it is a notion, and I think it would be good for you to examine what has happened in other provinces.

The main comment that I would really like to make unfortunately is in response to something that Mr. Cordiano

asked yesterday when the Metro Day Care Coalition was here in the afternoon, and it has to do with the Canada Assistance Plan and the whole question of affordability and income testing. And I would like to make a number of comments about the role of Ontario in the federal/provincial perspective that is emerging.

As you know, day care has become a really important federal issue for the first time in the last couple of years, and an important part of this is the Canada Assistance Plan. The question that Mr. Cordiano asked was, to the Coalition, was: What effect would moving to income testing have on affordability? Because affordability is one of the things that we are talking about. What I would like to point out is that there are .. Okay.

The way the federal government handles that route of the Canada Assistance Plan which allows income testing, is that the federal government has established maximum income guidelines up to which parents may be eligible for subsidy. Right now, those federal guidelines are about \$53,000 a year net. A family can make, the maximum sized family can make about that amount of money net and still be eligible for a minimum subsidy -- that is the point at which a subsidy ceases. Now I am really concerned about the change to income testing, because the figures that I heard for establishing eligibility are more like \$30- or \$35,000 a year. In some municipalities like Metro and Ottawa, for example, that would actually reduce the eligibility of parents. I would like to really point out that changing to income testing if the province imposes those kinds of limitations on it and doesn't take full advantage of the federal cost-sharing, will not be an advantage.

Together with that, is the whole question of the income testing of commercial programs. I think this is a really important point and it is also related to the whole question of direct grants. Right now, under the terms of the Canada Assistance Plan, a province may not get federal cost-sharing for subsidies in commercial day care programs. The definition of an approved welfare service is either a government-operated service or, in lieu of that, a non-profit organization.

For the last number of years it has been an effort on the part of the federal government and most of the provinces to change the definition of an approved corporation under the welfare services, really the Canada Assistance Plan. Ontario has been part of that encouragement. My question really is: In the federal/provincial context, if the Ontario government's intention is to move to a non-profit day care system, however that is accomplished, my concern and the concern of a lot of other people in the day care community and the social services community, is with Ontario having thrown its weight for what appears to be a short-term

gain of federal cost-sharing on its existing commercial programs, what has happened is that Ontario has thrown its weight with the provinces and the federal government toward changing the terms of the Canada Assistance Plan. As the federal government is considering new cost-sharing arrangements, as we saw in the Special Committee on Child Care's report -- there was some mention of that and I think that is inevitable -- and as the federal government and the provinces are now negotiating new arrangements, Ontario's role is very key. My question is: If the Province of Ontario is really interested in having a non-profit day care system down the road, how does that fit with throwing its weight behind a movement to open up the cost-sharing of subsidies and portions of direct grants under the Canada Assistance Plan?

I know that this is quite complicated and you may not be as familiar as I am with some of the intricacies of the Canada Assistance Plan, but it is a very serious concern on the part of people who are familiar with the cost-sharing of day care under the Canada Assistance Plan and with the whole federal scene in day care. I can elaborate on that if anybody would like me to? If it is completely incomprehensible I could --

Mr. Chairman: When was that?

Ms. Friendly: -- write it out,

Mr. Chairman: When was that? When was Ontario's push for that change?

Ms. Friendly: Okay. In order to do income testing of commercial services which Ontario has expressed a desire to do, and to get federal cost-sharing for it, will mean that the federal/provincial, the Act will have to be changed. The definition in the Act. The Canada Assistance Plan itself will have to be changed to include commercial services.

Mr. Chairman: I understand that, but when was that, that Ontario put its --

Ms. Friendly: Well it has been going on for a number of years.

Mr. Chairman: When did it start though?

Ms. Friendly: Oh, way before the present government was in power,

Mr. Chairman: Oh. I was just curious.

Ms. Friendly: Yes. Oh, no. It doesn't originate with this government.

People in the day care community who have encouraged moving towards a non-profit system had hoped that Ontario, a key province because it has the majority of day care in the country and is a key province in a number of other ways, would use its persuasion to encourage the federal government not to make that change. It has become quite clear that in order to move to income testing and also to get federal cost-sharing for certain portions of direct grants, which is possible under CAP, Ontario will be encouraging that change. And I think that this is very important and I don't think it is really being raised in the whole discussion of the policy on commercial services. It is very, very important. It is an important principle. And I think that once it is entrenched it will be very difficult to go back.

Because the policy now doesn't only involve Ontario, but it involves Ontario's role vis-a-vis the other provinces and the federal government, it has to do with an expansion of commercial day care across the country because other provinces might not want to have a non-profit system.

Mr. Chairman: I think we will reserve, if we can, the next fifteen minutes. We have agreed to go till a quarter after, so we are going to use the next fifteen minutes for it. Any questions from members of the committee?

Mr. Mitchell: Just really on the process.

Martha, I believe you indicated you were coming back to the committee again?

Ms. Friendly: The committee? Somebody asked me to come back.

Mr. Chairman: No, this is her return. This is her return, Mr. Mitchell.

Mr. Mitchell: No, no. I gathered from what you were saying that you were coming back again as well as this time.

Mr. Chairman: No. I think she was saying this is her return.

Ms. Friendly: No, no, no. This is it.

Mr. Mitchell: Oh, okay. I'm sorry.

Mr. Chairman: This is it.

Mr. Mitchell: Because I do regret that --

Mr. Chairman: Final showing.

Mr. Mitchell: Well, I regret the fact that the time

limit is so brief because I know that the committee did receive your comments very, very well the last time you were here and I do regret the time doesn't allow us to get into a full blown discussion as we did earlier. I really would hope that we would be able to call on you during the course or the balance of our deliberations should we need your assistance.

Ms. Friendly: Oh, please do.

Mr. Chairman: You have got fifteen minutes, Mr. Mitchell, if you wish, because nobody else has raised their hands.

Ms. Friendly: I think it may be hard to flip back to a week and a half ago and pick up where we left off and I sort of figured that is what would happen. I mean, I think I thoroughly enough reviewed the research; I think I was the first person to come in and talk about that.

Mr. Mitchell: That is right.

Ms. Friendly: So maybe it was new. And I think other people have reiterated that and I would be delighted to come and talk to you as you are proceeding.

Mr. Chairman: Could I ask a question, and it is simply to get it through my head. I think Mr. Johnston yesterday thought perhaps I was trying to be partisan and I am trying to find out something.

The comment was made by the previous group and seems to be echoed at times by Mr. Cordiano: How do you enhance the quality of for-profit spaces that are there now, between now and the time that this transition that is suggested by groups, takes place? How do you do that? How do you ensure that without putting dollars on it? Without increasing the fees beyond the capacity of most people?

Ms. Friendly: You see, I know that that is, I suppose, part of the concern. I am not convinced that you could do that anyway without an enormous amount of trouble. I guess that is my feeling about it. We have had a lot and there has been a lot of talk about increased regulation and how could you increase monitoring and surveillance and enforcement and all that kind of thing. We can do that. I mean, I suppose you can do that. I guess the question is: Is that the kind of role that you want to play? There are a lot of holes in the whole system, what you consider to be the system of regulation right now, as you know. You have heard that many times.

You have to see a violation; you have to make note of it; you have to decide that you are going to act on it. I am talking about from the provincial consultants' point of

view. And you have to then be able to do something about it. I think that if your notion is that you are going to enforce quality in kind of an adversarial way, I would rather go the route of putting the effort into the part of the system and really throwing my weight behind the part of the system that is more willing to comply with providing higher quality.

Mr. Chairman: No, no. I appreciate that. What I am getting at is, and it is something that I haven't had really a satisfactory answer for myself, is that we have heard groups saying the transition period could be as far out as 1993, da-da, da-da... some saying it could be three years. During the interim period, what do you do to enhance the quality of the for-profit sector that is now providing the service until the not-for-profit sector fills in the areas that are being served by the for-profit sector? That is what I can't get my...

Ms. Friendly: Okay. I think that there would be some simple things that you could do, which would be things like, for example, providing some kind of in-service professional development training workshops for people who are working in the commercial... well, for everybody. For everybody. Things that have never been offered in any organized way. I mean, there is really nothing for that sort of thing.

You could do that kind of thing. You could probably enhance it in that way. I think that you probably could beef up the regulation. I think that you could certainly beef up the role of the day nurseries' consultants so that they could do more consultation and not have to spend as much time on actual surveillance and enforcement as they do now. I mean, certainly they have a consultative role and you could probably do something with that.

Mr. Chairman: But does that address the...

Ms. Friendly: Fundamental?

Mr. Chairman: I am sorry. I really want to get this clarified. Does that address the question of, what we have heard most is that 80 per cent goes to salaries and because of the profit motivation in the for-profit area the people who are hired in the for-profit sector are less quality and, in addition to that, there is a wide movement of them moving in and out of the particular licensed area to the detriment of the children. How do you address that in the long-term transition?

Ms. Friendly: Well, first of all, I am not sure that you can address it. I mean, the solution has been proposed as to provide a direct grant to raise the salaries. People have talked about the problems there are in doing that. Another thing that you could do would be you could set a

minimum salary requirement and set it high enough so that the operators couldn't make as much of a profit as they are making.

Mr. Chairman: But there might be on the other side. They will take it off the other side. That is what has been suggested.

Ms. Friendly: It may be. I think it has to come from somewhere. I mean, the reality is... I think we have had enough discussion about the financing of the situation, seeing the money is going to have to come from the public purse and you are going to have to make sure that it gets into wages, which I think is an enormous problem, or you have to find some mechanism, some way of reducing the profits and making the money go into the service. It is a financial matter. If you have got a budget and unless money is actually going into the service it is going to affect the quality.

One choice is to put public money on top of that and let the profits remain as they are. The other solution is to reduce the profits. That is the only solution, I mean aside from things like workshops.

Mr. Chairman: I think what you are saying, and I want to be clear on this, the thing that you are saying is that in the interim transition period between those spaces no longer receiving any type of consideration, and now, that the quality has to be maintained. I think that is a given.

Ms. Friendly: I think so. Absolutely,

Mr. Chairman: So it is a question of how do you do that, really.

Ms. Friendly: And I think that if we sat down -- aside from this tricky question of how much money is going into it, which is sort of the trickiest question -- we could develop a number of ways to maintain the quality which would have to do with regulation and training and things like that. But fundamentally, I think you are dealing with a financial question. I think it is inescapable and we keep going around and around it, but that is what you have got.

Mr. Chairman: Thank you. Are there any questions from members of the committee as a result of the questions that I have asked?

Well, thank you very much, Ms. Friendly.

Ms. Friendly: Could I ask you a question? This business about the Canada Assistance Plan, is that clear about the federal/provincial role and all that sort of thing?

Mr. Jackson: We have not, during the course of our discussions in committee, at any point paused and looked at the recommendations which were announced recently, which you are referring to.

Ms. Friendly: Okay. Thank you.

Mr. Chairman: Thank you very much. We appreciate your coming forward again and giving of your time.

This committee will adjourn until two o'clock.

The Committee adjourned at 12:07 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

TUESDAY, APRIL 7, 1987

Afternoon Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)

Andrewes, P. W. (Lincoln PC)

Baetz, R. C. (Ottawa West PC)

Cooke, D. S. (Windsor-Riverside NDP)

Cordiano, J. (Downsview L)

Hart, C. E. (York East L)

Henderson, D. J. (Humber L)

Johnston, R. F. (Scarborough West NDP)

Reycraft, D. R. (Middlesex L)

Stephenson, B. M. (York Mills PC)

Turner, J. M. (Peterborough PC)

Substitutions:

Jackson, C. (Burlington South PC) for Mr. Andrewes

Leluk, N. G. (York West PC) for Mr. Turner

McKessock, R. (Grey L) for Mr. Reycraft

Mitchell, R. C. (Carleton PC) for Miss Stephenson

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Labelle, R., Lecturer, Department of Clinical Epidemiology and Biostatistics,
McMaster University

Witnesses:

From the Canadian Union of Public Employees, Local 2204:

Lambert, E.

Prieditis, P.

From Directions 2000:

Richards, S., Board Member

Young, N., Board Member

From the Council of Christian Reformed Churches in Canada:

Van Ginkel, A., Member, Government Committee

Krabbe, J., Member, Government Committee

From Action Daycare:

Davis, J.

McKee, E.

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON HEALTH

Tuesday, April 7, 1987

The Committee met at 2:05 p.m. in room 2

CONSIDERATION OF CHILD CARE
(continued)Mr. Chairman: We are in session.

I wonder if Paula Frieditis and Elizabeth Lambert could come forward.

How do you get people here, Richard, you have chaired enough of these committees?

Mr. Johnston: Start without them like you are doing and eventually they learn to come.

Mr. Chairman: I am told that this is Exhibit 37, which you should have. We have a copy of your written brief, and perhaps if you would like to indicate who... Are you going to be reading it into the record?

Ms. Lambert: Parts of it, yes.

Mr. Chairman: Perhaps you could just identify yourself for purposes of Handsard, whoever is reading, either or both.

Ms. Lambert: We will both be reading but I will start. My name is Elizabeth Lambert.

CUPE 2204 welcomes this opportunity to share some of our child care experiences with you. Our local represents 120 workers in 10 private centres. 8 of these centers are co-operatives, one has a community board and one is a profit centre. We represent teachers, co-ordinators, home visitors, cooks, janitors and bookkeepers. We believe that it should be the right of every Canadian family to have access to quality day care that is operated on a non-profit basis.

In order to deliver quality child care it is necessary to provide good employee wages, benefits and working conditions, proper staff ratios and nutritious meals. However, if profits are to be made, it is often done by cutting budgets for these items and diverting funds, the personal gain of commercial operators. In our experience as day care workers we have found that the quality of care in non-profit centres far exceeds that found in centres run for profit. Our local has had experience in dealing with profit

day care operators. As in a number of cases, workers in profit day cares have asked us to unionize them to gain better quality child care, wages and working conditions.

We would like to share with you some of our concerns. First, by outlining the problems our local has had dealing with commercial operators and then by sharing some of our members' experiences gained from working in profit day care. In 1978 the regional municipality of Ottawa-Carleton agreed to adjust per diem rates to allow private day care centres to raise salaries of workers to those of regional employees. When this increased funding was given to a large commercial operator it was not passed on to the workers. The workers then organized into a union and went on strike in the hopes of forcing the employer to release the funds. The consequence of this increased funding to a profit operator was a disruption of day care services that was not resolved until the centre was purchased by the regional municipality. Unfortunately, despite the strike and the regional buy-out, the workers did not receive the salary catch-up funds.

Recently, CUPE local 2204 negotiated a first contract with another local commercial operator. The salaries negotiated were \$10,000 for assistant teachers and \$12,000 for teachers. This is better than the minimum wage that they have been earning, but it is still less than workers earn in the non-profit centres covered by our collective agreement. The fees charged in this profit sector are comparable to the non-profit centres, but a large amount of this money goes to pay rent on a building which is owned by the operator's spouse.

Workers from another commercial centre in Ottawa, fed up with making minimum wage and putting up with poor working conditions, approached CUPE local 2204 and asked to be unionized. The negotiations between the owner and the union began and the owner realized it will be necessary to pay the staff a higher wage. The centre was closed. This left fifty families without day care and a staff unemployed. Fortunately, a non-profit group, the Ottawa Federation of Parents Day Care, intervened and a new centre was developed in the neighborhood. This centre is now operated on a non-profit, co-operative basis and has a current board. The staff receive reasonable wages and the families in the area receive quality stable day care for their children.

Unfortunately, a similar situation resulted in another profit centre being closed, and in this case no new centre has been opened. So families in the area are now forced to travel to obtain quality licensed care or use unlicensed care of questionable quality.

The members of CUPE local 2204 are committed to non-profit day care, believing that profits are incompatible with good care for children. It is also our belief that the

organization of day care workers inter-trade unions has been the most effective way to raise wages.

In Ottawa-Carleton, day care workers employed by the regional municipality, which is CUPE local 503, are earning 30 to 50 per cent more than workers in private centres who do the same work and have similar educational backgrounds. Through collective bargaining we eliminated this wage gap over a three-year period beginning in 1979. By joining a union, day care workers obtained the collective strength to press for increased funding. As a result of higher wages, staff turn-over has been drastically lowered. The average length of time that CUPE local 2204 members have been in their present jobs is seven years. This has contributed to a higher quality of care in the non-profit unionized centres. As well, in the non-profit centres covered by our collective agreement, parents and staff cooperate to provide a stable environment and quality care for the children.

We would now like to share some of our members' experiences from working in profit day care.

My name is Paula Prieditis.

People who have or are still working in profit day care centres have told us about bringing their own toys and materials from home bought from their own money to provide the equipment necessary for the childrens' activities. Cooks in these centres often complain of inadequate food supplies to meet the nutritional requirements. Child/staff ratios are often abused and owners cut costs by refusing to hire substitute staff to replace regular staff on vacation or sick leave.

Mr. Chairman: We have had concerns of this raised before and we are going to have the inspection branch here because I think it is very essential. But are those of recent vintage, because if they are I think they should be investigated?

Ms. Prieditis: One particular incident that we are referring to, actually indirectly, happened about a year and a half ago.

Mr. Chairman: We may want to get particulars from you because I find that, and I am sure the other members of the committee do as well --

Ms. Prieditis: In this particular instance, the health inspector arrived.

Mr. Chairman: I do not want you to name them, because you do not have any type of privilege here, but I certainly would want that information if it was a year and a half ago.

Ms. Prieditis: The health inspector was aware of this

particular situation.

Mr. Mitchell: Which one is this? Is this one of the ones related here?

Ms. Prieditis: It will be referred to, yes.

I am just going to relay a few case histories and most of them are recent case histories. One of our members, now a day care teacher in a non-profit co-operative centre, did an early childhood education placement in a profit centre in a community in Northern Ontario. Students on placement are not to be used as regular staff members. It is expected that they will be an extra person in the room observing the children and setting up programs for them as is required in their course curriculum.

However, students placed at this particular profit centre were treated as teachers of cleaning staff. The day the placement began the owner fired all of the cleaning staff and the students spent their first days washing blinds. This student and others in her course were often left unsupervised with up to 12 four to five year olds. Child/staff ratios in this centre were violated.

Substitutes were not called when teachers were sick, and the kindergarten half-day program was over-enrolled. Because the kindergarten children were there for only half a day, the centre enrolled twice as many children as they had spaces. When kindergarten teachers had professional development days, the day care centre had all of the children for the whole day, which was twice the number that they were licensed for. No extra staff were called in.

Case B: In another case, another worker with experience in a profit centre told us that she felt that the owner was obviously in day care for the money, and was actually quite nasty to the children. She related instances of children having their mouths washed out with salt and water for swearing, and of a boy who the owner physically held down while cutting his fingernails after he had scratched one of the other children. She then used this terrified child to threaten the other children telling them that the same thing would happen to them if they engaged in the same type of behavior.

There was also a shortage of food in this centre. The children were under-fed, the worker said, adding that, "That was the thing that broke my heart the most." For morning snack, the children were usually given one cracker with peanut butter and in the afternoon they often only received one celery stick each.

There was a shortage of equipment and most of it was

broken, so the staff brought a lot of the supplies from their homes. The worker also said the building was lovely but nothing else was adequate.

In a third case, the centre was on the second floor of a commercial building above a restaurant. The outside area where the children were to play was a fenced-in cement patio. The worker felt it was unsafe because if a child fell off the climber he or she would be falling onto concrete.

This same worker was later employed at another profit centre where the staff were expected to do the cleaning. There was no sandbox or water play area, because the owner did not want the carpets to get dirty. Two sinks were finally installed for water play, but they were too high for the children to reach. Platforms were never built for them to stand on.

Also, up-to-date telephone numbers for the children were not always kept on record. Once when a child had a fever of 104 degrees and was having difficulty breathing, the worker was unable to reach the parents. She then called the supervisor but the supervisor refused to look after the child. Staff turn-over was also very high in this centre.

High school students were often hired to fill in for the summer months, and during one four-week period six different people were on staff. As well, staff were switched between rooms and programs so the children did not have regular caretakers.

A parent with a child in one of the non-profit centres covered by CUPE local 2204's collective agreement worked part-time for a profit day care in Ottawa. She said that although in general the children were not ill treated, there were serious problems with their care. On some extremely cold days, one that was 31 degrees below zero, the children were taken outside. It was so cold that the children and the worker froze their feet and she felt that the children must have suffered considerably. Some of the children told her they wanted to go inside but the supervisor refused. When the worker complained about being cold herself, she was told that she knew when she took the job that day cares had to have outings every day.

Payday at this centre was every other Thursday. Sometimes the cheques were not ready on time. The owner said it was because the centre had not received its government subsidy cheque. When one of the workers' cheque was \$15.00 short she had to fight to get it back. She was paid \$5.00 an hour and had no benefits beyond the minimum imposed by the Employment Standards Act.

Poverty level wages, poor benefits and working

conditions and lack of recognition for an extremely demanding job results in a high turn-over of day care workers. Day care staff is the single most important factor in accessing quality of care. When staff leave it strains the operations and the other workers, and breaks their ties with the children. It is crucial that day care centres provide a stable environment for children, but staff turn-over prevents this.

We believe that further funding to commercial day care operators will result in more of the types of problems that we have outlined. We oppose government funds going into day care centres that are operated on a profit basis either through purchase of service or direct grants.

In this presentation we have outlined some of the experiences of our day care workers. CUPE local 2204 has several recommendations which I would like to share with you. We recommend, firstly, that the government of Ontario give direct grants only to day care centres that are operated on a non-profit basis. This would serve to promote the expansion in the non-profit sector, giving parents a real choice of licensed quality care.

Secondly, that no new purchase of service agreements be made with commercial operators. We feel that this is a poor use of public funds.

Thirdly, that all existing purchase of service agreements be phased out over the next five years, which would place them on the same footing as private schools. Also, that funds be made available to parents and or community groups to start and operate non-profit day care centres that have parent and community input. Also, that the government specify clear guidelines for commercial operators who wish to become non-profit allowing parents, community members, and workers to be involved in the management of the centres.

We believe that our children are much too important to receive anything less than the highest quality care possible. The government of Ontario must do everything in its power to ensure stable, quality care for our children.

Thank you.

Mr. Chairman: Thank you.

Mr. Johnston has a question. Before I do that, are you knowledgeable, first of all, of the names of the people who put forward these complaints and the locations?

Ms. Prieditis: Yes.

Mr. Chairman: Do you know whether they have been

investigated or reported to the inspection branch?

Ms. Frieditis: In most cases, yes. The various licensers were aware of the situation.

Mr. Chairman: I just want to be sure that none of these have been left unreported, because if they have not been reported then I would like to get that information to see that they are looked at.

Ms. Frieditis: They have been reported.

Mr. Chairman: They have been reported. Okay, fine.

Mr. Mitchell: May I just as a supplementary follow that up, Mr. Chairman?

Reported to whom?

Ms. Frieditis: To either the provincial consultant or the health inspector.

Mr. Mitchell: They have been reported at the provincial level?

Ms. Frieditis: Yes, they have.

Mr. Chairman: And investigated?

Ms. Frieditis: Yes.

Mr. Chairman: All right. Thank you.

Mr. Johnston?

Mr. Johnston: Thank you, Mr. Chairman.

It seems to me on this, just before I ask questions, as this kind of a committee we are not in an investigative kind of role; it is difficult for us to deal with these kind of matters. And if we get more examples like this raised, I think all we really should be doing is informing people in the inspections branch of our knowledge of them; if they have not been pursued up to that point then the onus is on them to follow it up. It is certainly not the kind of thing that we can do easily as a committee.

I, first of all, would just like to thank you for coming from Ottawa to share your thoughts with us, all of which I am in agreement with. So it is hard to come up with questions, but I will manage, don't worry, one or two at least.

You both work in day care?

Ms. Frieditis: Yes, we do.

Mr. Johnston: What centres are you with?

Ms. Frieditis: I work at Glee Parents Day Care.

Ms. Lambert: I work at Sunflower Co-operative Day Care.

Mr. Johnston: One is municipal or not?

Ms. Frieditis: No. We are a parent co-operative.

Mr. Johnston: Do I gather that there is another CUPE local there that deals with municipal day cares and you are just co-operatives and non-profits and one profit?

Ms. Lambert: Yes, that's right. We are the private purchase of service, local.

Mr. Johnston: Can you tell me a little bit about your knowledge of inspections and how they operate? We received information yesterday of examples given in the profit sector, but I presume that these things are not dealt with differently depending on whether you are profit or non-profit in terms of advance notice, for instance. That often the centres seem to know when the inspectors were coming and, therefore, spent their time sprucing up.

Ms. Frieditis: It is true. Actually, I am the Program Co-ordinator at Glee Parents Day Care, so you are told within about a week's time that the inspector will be coming in. So you do have advanced knowledge.

Ms. Lambert: However, for the health inspector, the health inspector just drops in at any time.

Mr. Johnston: Now, this is just to distinguish between the various inspections. The health inspector is, of course, the local inspector and not through the Ministry of Health specifically, but through the public health unit locally?

Ms. Lambert: That's right.

Mr. Johnston: They arrive unannounced on an occasional basis. About how many times a year do they come in?

Ms. Frieditis: Approximately twice.

Ms. Lambert: We have seen the health inspector, I think, three times in the last year. From two to three times.

Mr. Johnston: What about the provincial day care

person, how often does he or she arrive?

Ms. Lambert: I think she comes once per licensing and may drop in for an occasional visit. Actually, right now our provincial licenser is quite concerned about a profit day care that just opened up down the street, a 24 hour operation, so she is often going there three times a week and, you know, we are an established day care. We have been in operation for 13 years with a good reputation, so we are, obviously, not going to be visited with the same amount of frequency.

Mr. Johnson: Mr. Jackson had a supplementary there.

(Ms. Hart acting as Chairman)

Mr. Jackson: Thank you, Madam Chairman.

That is the first I have heard of a 24 hour day care. Could you explain that to me?

Ms. Frieditis: A profit operator - actually, she has now become a chain operator - has recently --

Mr. Jackson: A chain has more than one.

Ms. Frieditis: More than one. She has recently opened up a 24 hour day care right across the street from a hospital.

(Interjection)

Ms. Frieditis: There have been real problems, simply because then it becomes very difficulty to supervise. Day Nurseries Regulations do not always pertain to 24 hour care, and we are hearing quite a number of horror stories around this, especially on the weekends where there may be only one day care worker on the premise, no janitor, no cook. She has a difficult time keeping staff so students are often left with up to five pre-schoolers, never having met these children, not knowing their needs or their health concerns or anything, often for 12 hours at a stretch.

Mr. Johnston: You say that the day care workers are in on a regular basis there, according to your knowledge several times a week, did you say, at this stage?

Ms. Frieditis: Yes.

Mr. Johnston: Who else inspects you? Who else comes in, anybody?

Ms. Frieditis: The fire department.

Mr. Johnston: How often?

Ms. Frieditis: About once a week.

Mr. Mitchell: Supplementary.

How often does the local municipality inspector, I mean other than people from the officers of health, Department of Health?

Ms. Frieditis: We do not have a system like the one in place here in Metro Toronto. We do not have people employed at the municipal level coming to inspect the programs.

Mr. Mitchell: In other words, Arthur Pulford, his predecessor, no one from that department?

Ms. Frieditis: Well, other than going through our budgets, they do not --

Mr. Mitchell: Yes. That is all.

Ms. Frieditis: --visit the premises to do that.

Mr. Mitchell: Thank you.

Mr. Johnston: Basically from your experience what we have is twice yearly health drop in unannounced, sometimes more often I guess if there would be problems; the provincial officer comes in maybe twice a year and there is always forewarning of it.

What kind of things does that inspector require to see of you when she or he comes in?

Ms. Frieditis: The provincial?

Mr. Johnston: Yes, the provincial.

Ms. Frieditis: Well, essentially she comes in and spends time observing the programs. She may or may not inspect the files. She is also permitted to question the staff about their knowledge of the behaviour management policy which she has to approve ahead of time. She overlooks the physical layout of the rooms. She does take into consideration the various safety factors.

Mr. Chairman: Excuse me, Richard. I had to step out of the room. Is she speaking of the centre that she is working in now or is this...

Mr. Johnston: This is from her experience.

Ms. Frieditis: This is a standard sort of inspection procedure.

Mr. Chairman: Thank you.

Mr. Johnston: Then she makes recommendations, does she, to you that calls for action that have to be in writing that are then pursued, or how does that work?

Ms. Frieditis: Yes, or she may put an operator on a conditional license, that they have a short-term license until certain criteria are met.

Mr. Johnston: Have there been any to your knowledge -- and this may be an unfair question -- but have there been any licensed day cares closed in Ottawa as a result of inspections?

Ms. Frieditis: No. In fact what we are finding is that the licensers when they find a situation, particularly in the profit centres, very deplorable, they will tell the workers go to the union, because usually during the course of negotiations these profit operators will shut down.

Mr. Johnston: Are there many operators who are operating on a regular basis on a conditional license for any extended period of time, like, a year or something like that?

Ms. Frieditis: There have been, yes. Actually, although it is, I guess, a matter of public record, this does not seem to be information that is particularly forthcoming.

Mr. Johnston: It is hard for us to get, too, we are finding, at least on a provincial level. I am not sure how easy it is locally to get ahold of.

Ms. Frieditis: I think that would be very helpful if at least the day care community were aware of who is on a conditional license.

Mr. Johnston: Thank you. We are trying to do divide up our questions so I will not ask any more.

Mr. Chairman: Any questions from the official opposition?

Yes, Mr. Mitchell?

Mr. Mitchell: I guess I want to come back to the point you were making earlier, Mr. Chairman, and just quickly make the comment that I would hope that off-the-record you may wish to provide the clerk with some of the information.

It was raised yesterday of cases such as the ones you have pointed out. My concern was that the whistle was not

being blown in some of the cases that were referred to us yesterday. I felt that that was wrong, that there is a responsibility -- and I can understand the worry and the fear that some workers might have if they lose their jobs. At the same time, I think the child is more important. So, frankly, I was disappointed in yesterday's but I am glad to hear you say today that, for the most part, you understand. Did I hear you correctly, that these have been reported, these cases?

Ms. Frieditis: We work very closely with the licenser whenever we organize a profit centre, because often there are very flagrant violations. Also, in our collective agreement we have the Day Nurseries Act written right into our agreement, so that if there is a violation we can grieve it.

Mr. Mitchell: I know of a couple of the bad situations that have happened in Ottawa-Carleton, obviously. Rosemary Summers, when she was down last week, referred to basically the same two. We had an opportunity to sit down later on after her presentation and discuss it.

As a person who represents the Ottawa-Carleton area, I have been in a number of the facilities there, both non-profit and for-profit, and apart from, as I say, the ones that in fact I know that you are talking about here, I found them, at least to me, that they appear to be -- and I dropped in unannounced -- they seem to be very well operated, the children seem happy, and so on.

I do not know whether that is the case generally, but I just find difficulty. In some of the presentations they are saying, or implying really in many cases, that there are no good for-profit operations. I happen to feel that there are some in Ottawa-Carleton. I do not know whether you would agree with that or not.

Ms. Frieditis: Personally, I have never seen a good profit day care and I have been working in the field for 10 years.

Mr. Mitchell: The particular one you were talking about, how do you overcome, then, the comments that I was hearing about two weeks ago from local people who thought it was the greatest thing since sliced bread?

Ms. Frieditis: How would I respond?

Mr. Mitchell: They think, again, that the care is excellent, that the facility is excellent and that that is why the operation has been able to expand.

Ms. Frieditis: In terms of the facility, I do not know if you are aware of the recent SPR study that that was

the one criteria in which profit operations excelled. They usually, because they have access to funds that non-profit agencies do not have access to, they are able to build quite attractive facilities. And I often think that that is a way in which they attract fee-paying parents, and it is a way, sort of, of aligning --

Mr. Mitchell: I would tend to agree with you that sometimes municipal operations do not get the same benefits, and yet some of those schools that are closing should be provided for services such as this instead of being put on the market and sold. But you raise a point about --

Mr. Chairman: Excuse me just a second, Mr. Mitchell. Mr. Cordiano indicated he had a supplementary.

Mr. Mitchell: Sure, go ahead.

Mr. Cordiano: I just wanted to ask something for clarification. You said that the commercially run operations would have, what, greater access to capital and, therefore, could build facilities which were better than non-profit centres?

Ms. Prieditis: Yes. They have access to monies from banks whereas we are at the mercy of government funding. The Glee Parents Day Care has applied for capital funds because we are in a church basement, and we are under increasing pressure to move.

Mr. Cordiano: I just wanted to get that clear.

Mr. Mitchell: That is actually the direction I was going to go, because we had a presenter in who ran a for-profit operation; and if my memory bank is correct, he implied that it is not as easy as some would believe to get money from the bank, that the banks were not, if I remember him correctly, prepared to put money up for capital works for something such as day care. I stand to be corrected, but that was one of the first groups we saw.

Ms. Prieditis: I think you if you look at the rate of expansion, I am not sure of the exact figures, but I know in Ottawa-Carleton that there has been a fairly rapid expansion in the profit sector.

Mr. Chairman: This was a mom and pop operation, as I recall.

Mr. Mitchell: Yes. That is right. They had, in fact, one that had no subsidized spaces and one that would add a certain percentage of them; they had two operations. But that was the comment they made here.

Mr. Johnston: Mini schools doesn't have any trouble getting capital, believe me.

Mr. Mitchell: In any event, I do thank you for coming down from Ottawa. And just as a personal side, I would hope that if there is fear of some of the employees of some of the centres of going to the provincial authorities, that at least they go to someone who has an ear down here, because I am worried when it comes to this situation of children.

I may disagree whether there should be profit or not-for-profit or whether it should be a mix, but I certainly do not want children to be in danger of either not the proper nutrition - I will not say malnutrition - but lacking the proper care as well.

Ms. Prieditis: I agree with you. There usually is a great feeling of intimidation that often takes some time to overcome. We had great difficulty getting anyone to participate in this presentation for fear of reprisals.

Mr. Mitchell: Last question, Mr. Chairman.

One question I have asked other groups that were here: Do you think that if we applied similar conditions to day care as we have applied to nursing homes, i.e., that there must be a board representative of the patients or the patient residents themselves, do you think that would help improve the situation and would make the operation of for-profit centres more viable?

Ms. Prieditis: I think once you start talking about a board structure, you are in fact talking about a non-profit agency that is accountable for its funds.

Mr. Mitchell: We are, in fact, in a way doing that with nursing homes although they are still private for-profit operations.

Ms. Prieditis: I think you are always going to run into problems when you allow for a profit margin. There will always be that incentive to cut corners to make sure that margin remains low.

Mr. Mitchell: Thank you.

Mr. Chairman: Anybody from the --

Mr. Cordiano?

Mr. Cordiano: We have been told that some non-profit centres, most non-profit centres, indeed, carry surpluses. This morning it was suggested in a brief by Councillor Campbell from the City of Toronto that on average, I believe, about 8 or 9 per cent is carried over into the next year in the form of a surplus. Has that been something that you found in...

Ms. Frieditis: I am not aware of any day cares in Ottawa that are carrying over surpluses. We have a collective agreement with certain employee benefits which may be banked, such as, sick leave and that sort of thing. But that is a payable, it is not really a surplus. To my knowledge, all of the agencies that I deal with are non-profit and any surplus does get rolled back into the operation.

Mr. Cordiano: But it is carried over into the next year, that is what I am saying. It is a surplus and it is a reserve item and carried into the next budget.

Mr. Johnston: In case you get a measles outbreak and that kind of thing.

Mr. Cordiano: I am sorry?

Mr. Johnston: In case you get a measles outbreak and are shut down in your per diem for a while, that kind of stuff.

Mr. Cordiano: I am not questioning it. I am just saying it is a surplus and, therefore, it is treated as a reserve.

Ms. Frieditis: Not to my knowledge. We are on an enrollment basis where the kids come -- we get paid whether the kids come or not.

Mr. Cordiano: I thought that was the suggestion made this morning, but perhaps I am mistaken.

Thank you.

Mr. Chairman: Those are your questions, Mr. Cordiano?

Mr. Cordiano: Yes.

Mr. Chairman: Thank you very much for coming forward. I just want to understand now that each one of these has been reported, it has been followed up on.

Ms. Frieditis: Yes.

Mr. Chairman: So there is nothing for this committee to direct be done.

Ms. Frieditis: No.

Mr. Chairman: Thank you very much. Have a safe trip back to Ottawa.

Ms. Frieditis: Thank you very much.

Ms. Lambert: Thank you.

Mr. Chairman: The next group, Direction 200, Sharon Richards and Noel Young.

Just to let you know what the ground rules are. Speak into the microphone and before you speak identify yourself for purposes of Hansard.

We have a written brief either before us or being handed out. I do not care whether you would rather read the brief into the record or proceed in whatever way you feel most comfortable.

Ms. Richards: I am Sharon Richards. I am a member of the board of Directions 2000, and in addition to that I am a community organizer with family and children services of York Region.

Mr. Young: I am Noel Young, and I am a child care program adviser with the North York Board of Education, and I am here as a volunteer as a member of the board of Directions 2000.

Mr. Chairman: Is it 200 or 2000?

Mr. Young: 2000.

Ms. Richards: 2000.

Mr. Chairman: Thank you.

Ms. Richards: Directions 2000 is a non-profit, voluntary organization working to provide consultative and community development services to community groups, institutions, and corporations wishing to establish parent controlled day care services. It will work in close collaboration with consultants with the Day Nurseries Branch and local municipal governments.

In the spring and summer of 1985 a group of individuals, and there is nine of us in total at this point, began discussions about the need for a community based resource group to assist in the ongoing development of a comprehensive, co-ordinated child care system. It basically came together because most of us, or all of us, actually, of the nine are involved on one way or another in the day care field and have become aware of a real gap in the terms of development of day care services.

And although we are certainly cognizant of the consultative services that are offered, both at municipal and regional levels and through the province, the gap in the development of community groups who identify the need for day care in their community have come together to try to

make that happen. In our kind of observation, there is no group at this point that is able to do that kind of work on a regular ongoing kind of basis.

In York region that is a particular problem because there are so many new communities in York region. I do not know if any of you are familiar with it, but new communities are developing monthly in York region. The people living there are two working people normally because the average house price in York region is considerably expensive. A large number of them commute to Toronto or outside of their own community for work, and so the kind of time and energy they have is limited, and they are also working and living in communities that have just recently come together.

As politicians I am sure you are aware that in established communities there is a lot more community groups than in brand new communities where that kind of activity has not yet taken place. So there is a need for some group to provide really development workers who can go in, begin to work with a group of parents who wish to develop a non-profit parent control centre, and to use the resources that are available to make that happen. We would also like to share with you that our definition of not-for-profit is that it be parent controlled.

The goal of Direction 2000 is to foster and to assist parent and community groups in developing viable, non-profit quality licensed day nurseries that will best meet the local needs of their communities. This goal is based upon the following principles:

First, quality day care is founded on a thorough understanding of child development.

Second, parents have both a right and a responsibility to participate in all aspects of their childrens' upbringing. Day care services must therefore be directly accountable to parent majority boards of directors for their performances.

Third, day care is a family support service. As the needs of children and families change over time, day care services must be designed to allow families flexibility in determining their usage.

Four, day care is a community service and must reflect the local needs and wishes of varying communities. No one model of care day delivery will be appropriate or efficient in all communities.

We believe very strongly that it is crucial that the day care services of any particular centre be accountable to the parents. I think, as I sat and listened to the last presenters, that perhaps some of the difficulties that they

were identifying would be taken care of in a facility where in fact the parents are picking up their kids on a daily basis and seeing how the program is run, and the board of the centre is in fact accountable to them and accountable to the community. And that may in fact deal with some of the difficulties. I think you heard where that kind of accountability does not exist in profit making centres.

Mr. Young: There is some real difficulties, however, in starting non-profit community based parent operated programs. And while we have been delighted with the growing interest and commitment in developing child care services, which we have seen from the provincial government and the growing interest at the federal level, one of our concerns is that more funding coming at this time without some other policies, and without some other assistance being provided to non-profit groups, the commercial sector is going to expand and that is going to be inevitable because they are much better placed for a lot of reasons I think you have already heard about.

There are a number of impediments to non-profit groups, parent groups, who might want to start a program. The first problem, and we certainly encounter it in North York and I have heard Sharon talk about it in York region, is that parents who are struggling with their individual family problems of finding day care for their children do not have any process to get together and act collectively to solve the problem in a concrete and constructive way. Someone needs to do some work to get out there and pull people together so that they can work together. That is something that no one is currently doing.

Once those community groups are pulled together, they need a lot of organizational and technical support. Day care is a small business, its programs are operating with budgets between \$100,000 and \$300,000; they have employees, and they have to meet regulatory requirements from a whole range of different bodies and organizations. There are also human services that are dealing with children and with parents, and they have to be able to manage the community relations aspect of a centre as well. All of those functions require some sophistication, and so they do need technical support if they are going to be able to operate.

Community institutions and developers and businesses also need some support. You know, one of the things that we are disappointed at as we look around and see day care programs opening up in church basements and church halls and realize how many of those are commercial centers. There is no one going out there and talking to those churches and identifying for them, (a) how their interests can be met by having a child care program in their building; and also, (b) how a non-profit parent controlled centre would be in their interest as well. There is no one able to do that piece of

work.

Developers or people in malls, or whoever, need proposals. They need someone who can come out and both speak with an understanding of what their interests are and also provide a concrete plan of action of how this might all play out.

Finally, new non-profit groups, and if you have been involved with any of them, I am sure you all have, groups do not have a track record, and as a result they do lack credibility with institutions, with banks and with government. We have encountered that in North York where programs in order to receive a purchase of service agreement have to actually have the program up and running before they are able to receive the purchase of service agreement. That all makes sense from the point of view of the Metro inspectors because they are responsible to ensure a certain level of care is being provided and that the standards are being met. And how can you ensure that unless you actually go in, and the proof is in the pudding.

The problem is that if you are starting a day care program in a high needs area where you are not going to get any children unless you have a purchase of service agreement, it becomes a very difficult proposition to actually start the program. And someone has to do some work with those institutions and government bodies to speak on behalf of the local community group that does not know how to access their political representatives and do not necessarily understand until they do not have any money in the bank that they are going to have a problem.

Banks also are going to look asance at a community group coming in and asking for a loan because they have to wait two or three months before the first cheque from the subsidy office comes in. In North York we have been able to get by with local principals co-signing loans and some various arrangements like that. But there also needs to be someone who could provide some advice to groups as to how to negotiate with the banks.

Finally, the policies of local municipalities and of regional governments and of the day nursery consultants also have to be examined with an eye to how they can better facilitate the development of non-profit child care. Once the program is established and up and running, and I think that first year in which it is opened is a continuation of the development process, they will need ongoing support.

Volunteer board members need training. Volunteer boards need financial management services in some cases, of professional services to come in and set up books and the bookkeeping and to make sure that deadlines are being made, and make sure that everything is being run and providing

some financial advice to the volunteer board. Staff need benefits, and an individual community base program is not going to be large enough to negotiate with an insurance company for a benefit package. So programs need to be pulled together and brought together in order to do those kind of negotiations.

Finally, no one organization can provide all the staff time to provide all of the support that individual boards need in dealing with their problems. So another function that needs to be done is to organize boards to work together so that if the chairman of one program can call the chairman of another program and say, "What are you paying your staff this year; how much are your fees, and what are you doing about this program," and that kind stuff. That is a piece of work that needs to be done to help communities help themselves.

Ms. Richards: The reason that our organization has come about is that we are feeling and observing that there is no one out there that is doing a job similar to the one that we are suggesting be done. We also feel that it is very important that parents have the option; for example, in York region most of the day care centres are commercial for-profit day care centres. I guess for some of the reasons I explained, it is very difficult to get groups together to develop the non-profit centres.

It varies in York region from Toronto. I guess the primary organization who would be doing some development in day care would be the "Y" in York and they provide school based day care. But they do that again in response to either a principal or a group in a school, a parent group in a school who identified the need and approached them, and again the gap is to someone who will bring either that principal or that parent group together to help them approach the "Y".

In Toronto there are other groups that are working in this area; for example, the Boards of Education and the work place day care unit. But, again, they are not in the position to be able to actually go out and to do almost the grass roots development that we feel has to be done to be developing non-profit day care centres in the areas that we are identifying.

Scarborough and York are the two areas that we have identified, at least initially, as the groups that we would target because of the population increases that are happening there and the lack of day care spaces to respond to that population increase.

We are also aware, and I am sure you are aware, that the Ministry does have consultants within its staff that

provide a resource and expertise to a group once it has come together and has identified the need for day care then consultants can help them understand what is required to be licensed, and help them understand the kind of financing arrangements that can be made, that kind of thing.

We feel that it is very difficult for those same people to be out developing groups to develop non-profit day care at the same time as they are working with for-profit day care centres, which is also their job. And in order to avoid that kind of conflict we are feeling that the developer really should be an independent body, that once they have a group of parents together they can then use the skills and the training and the expertise that the development branch of day care have in the province.

Mr. Chairman: Thank you.

I have some questions. Before I do that I would like to find out, someone identified for the third party, the official opposition, is there someone from the government who wishes to ask the questions?

Mr. Cordiano, all right.

In the interest to fairness and trying to stay on some reasonable schedule and without a great vocal opposition from those in attendance, I am going to suggest perhaps three minutes each for questioning and if you need more I am sure the members will be understanding.

Mr. Johnston?

Mr. Johnston: Thank you, Mr. Chairman.

I only have one question because you answered several of the questions I would have asked about why this particular model rather than consultants from the government model for doing the community development work necessary, so I do not need to indulge in that debate with you.

I have been very good since I have been back from Nicaragua. I do not think I ever brought Nicaragua into one of my questions yet, which is really quite phenomenal because I try to wind it into every conversation I have these days.

But one thing that strikes me from our experience there -- and I see Miss Hart is still here -- is the control of the community over programs there. It's been very easy for them to establish because they had no democratic process at all in the past. Everything had been run from the top down by dictators, right, so it was quite a straight forward thing, quite unlike Tory Ontario.

One of the difficulties I see here in our education system as compared with the popular education system they are developing there is that we have now such a professionalized system of representation and control of education through the teachers and boards, and great separation from the people that the people and parents and students do not have much ownership of our public school system at the moment.

In areas like Toronto they have tried to counter that by having councils develop around the public schools, but in most areas the principal rules and the parents come in for parent nights and that is about it; there is no sense of real, sort of, control over it. One of the things that I worry about as we move towards a universal system of day care, which again appears almost inevitable because of the fantastic support for it here on the committee and elsewhere that --

Mr. Chairman: You have only thirty seconds left of your three minutes.

Mr. Johnston: There is only one question so it is straight forward. How do we make sure that your community development model which sets up parent control, the essential nature of the non-profit organization, how do we make sure that that stays actually parent controlled in the future if we move forwards the full access kind of philosophy that some of us might want? What are your notions about how you institutionalize community development, in other words, rather than just having a new profession develop which will separate even day care from parental control.

Mr. Young: One of the exciting things that has been happening in North York, where we have struggled with this problem, where a lot of non-profit day care programs have opened up in schools in the past three years as a result of a board initiative, is the community network of child care programs.

That is a network that is elected -- there is a board of directors that is actually elected by all the members of the network, which are people who are on boards of directors and non-profit programs. And that network then meets quite informally often, the chairpeople get together, the treasury get together, whoever else gets together and people are put together with each other. And, in addition, they also have service functions so that they organize the staff benefit packages and they organize the financial management services, and they have just received some funding from the province for a year to provide some staff time to do the coordination of that. I think that is an interesting model to look at.

So you have autonomist programs but you have an umbrella group that responds to the needs that are identified and keeps everybody talking and moves in to provide support.

Mr. Johnston: Those are parents, and non professionals or there is a mixture of the professionals and the ECE type of --

Mr. Young: It is a mixture. Certainly in a meeting -- I was at a chairperson's meeting last week and there were all parent chairpeople who were at the meeting, but they need some staff support to go on and to carry on.

Mr. Chairman: Mr. Sheppard, I understand, is going to shepherd the questioning for your party.

Mr. Sheppard: Mr. Chairman.

To either Sharon or Noel, I see that you both have a lot of experience. Do you agree that we should have either non-profit or profit as long as the profit day care centres are run properly?

Ms. Richards: I would like it. I would think that if I speak as a board member of this particular corporation, it would certainly be the belief of Direction 2000 that not for-profit day cares is the way that we would see it going.

If you are asking me as a representative of the agency that I work for, then I would be in a position to not know what their response to that would be. So, if that is a fair way to answer that question. Noel might have a different -- But I think certainly the corporation we are representing here feels that not-for-profit day care will provide a better kind of quality day care because of the parent accountability involvement in the running of the program.

Mr. Chairman: Mr. Sheppard, Mr. Leluk has a short supplementary.

Mr. Leluk: It is not a supplementary, Mr. Chairman, it is a separate question.

Mr. Chairman: If Mr. Sheppard leaves you some time we will try to slide it in there.

Mr. Sheppard: In your organization, Direction 2000, do you have a time limit that a director can only sit on there so many years and then they have got to step out for a year so that new blood comes in?

Mr. Richards: Yes.

Mr. Sheppard: I do not know whether I got your comments correctly or not. You do not agree with day care

centres in church halls and church basements or did I hear something different?

Mr. Young: I believe in day care centres in any space that is going to be appropriate space for children. In some cases church halls are very appropriate spaces and in some cases they are not. But what I am concerned about is many churches do not seem to hear the possibilities and the reasons for establishing a non-profit program rather than bringing in a commercial program that is going to help pay the rent. Well, non-profit programs can help pay the rent as well as a commercial program.

I think part of the issue, going back to your other question, is that one thing that the Minister has said quite clearly is that expansion needs to be in the non-profit sector. So if that is going to be the case, we need some mechanism to help the non-profit sector expand.

Mr. Sheppard: Some good strong guidelines.

Mr. Young: I want some pro active policies and support so that the work gets done.

Mr. Sheppard: Mr. Chairman, I will let --

Mr. Chairman: Mr. Leluk, I think I am going to move --

Mr. Leluk: It is a very short question.

Mr. Chairman: It is a short question. All right.

Mr. Leluk: A very short question.

Mr. Chairman, I was just looking at the three-year budget expenses submitted in this brief and I just want to ask about the salaries and wages. You have here two consultants in year one at \$52,498, year two \$72,797; an office manager at \$19,125 in the first year, \$26,520 in the second year; an executive director at \$30,600 in the first year going up to \$42,432 in the second year.

Could you explain to me -- we are looking at increases here of between 30 and 40 per cent -- why would you not come up with a more realistic figure in year one and not have a 40 per cent jump or so in the second year, when we are looking at what raises are in this day and age.

Mr. Young: We would agree. The raises that we have actually budgeted I think are four per cent. What we have looked at is the first year budget as being a nine year budget because by the time funding actually arrived, if we were funded for this year, it would be July.

Mr. Jackson: Nine months.

Mr. Young: It is not a twelve-month in that first year.

In looking at our salary figures, we felt it was important to offer a professional salary. The kinds of individuals we are going to be needing to look at are going to have to bring a wide range of skills, and we do not want someone that this is going to be their first or second job; this has to be someone who has good business skills and people who have good community development skills as well as a lot of other things.

Mr. Chairman: I do not think Mr. Leluk was objecting to the amount, he was just trying to figure out why the quick jump and I think you have answered that.

Mr. Cordiano?

Mr. Cordiano: Thank you, Mr. Chairman.

I would like to go back to the point made earlier by my good friend and colleague Mr. Johnston, because I think he makes a very excellent point about the the potential for these centres, non-profit centres, as we move on and our system develops. There is potential for a lessening of the role that is played by parents, and I think we see that in the educational system as pointed out about by Mr. Johnston.

What is crucial to these non-profit centres is that parent involvement. And you stated that in York region and in Scarborough we see very few non-profit centres. What might be the reason for that? Have you that thought about that? What might be the reason for the lack of existence for non-profit centres in those regions?

Ms. Richards: I could speak much more knowledgeably to York than Scarborough; perhaps Noel could speak to Scarborough.

Mr. Cordiano: I just state both but you could talk about either one.

Ms. Richards: Yes. First of all, there are a number of difficulties in York region just operating any kind of a day care centre, and that is getting affordable space. There are a couple of main corridors in York region where the accessible -- if you are going to put in a day care centre it has to be accessible, and so you are looking at prime land that is accessible and, therefore, it comes very expensive.

I think a major reason is, first of all, the kind of community that York region is becoming, and I think I

referred to that earlier, and that is that it is a new community literally developed. Large projects are kind of coming into existence in six to twelve months. Where you had a field a year ago you have now got a major development with large numbers of new families coming in. You have got the families that are moving in there. I think I read in a document, a CMHC document, in November, that the average house price in York region was \$189,000. That would necessitate that both of those parents have to be working to afford those kind of mortgages.

Mr. Cordiano: I think we take that.

Ms. Richards: Many of the people work, they work out of the region, so you have got people who are out of the region for a large part of the day, out of their community, very tired when they come home; they are in a community where they may not know many of their neighbors because it is brand new, and it takes time for a community to come together and that kind of sense of community to develop. That is not happening in a large part of York region where the communities are brand new. Besides which you have got parents who probably are fairly overwhelmed just making it through each day, let alone the thought of getting together to develop a day care centre.

Part of the difficulty now is there is no identifiable body to which they could go to and say, "I am interested in starting a day care because my children need day care," and you know, there are a couple of neighbours who are, and knowing that there is someone there who could take them through the process.

Mr. Young: In contrast, in the City of Toronto and in the City of North York where the Boards of Education have had a day care initiative and provide staff support, there are now 100 day cares in schools in Toronto. And in the last three years we have opened, as of September it will be 37 new programs in schools in North York. So with support, school based centres that have opened up have worked very effectively.

Mr. Cordiano: I am familiar with the --

Mr. Chairman: Do you have a question?

Mr. Cordiano: Yes.

Mr. Chairman: We are getting to the wire.

Mr. Cordiano: I am familiar with the North York program. In fact, I worked closely with some of the schools in my area that have just started those programs. But, as you say, there are ongoing problems and it all comes down to the continual participation of the parents in the community

and if that is not there, if that is missing, then you know some of these programs struggle along, they muddle through. But you constantly have to have that participation.

I just wondered if people are spending hours to get home and hours to go to work, as you say it is an ordeal just to get to work each day and to get home each day, and that is very difficult for people, to put in that much time, the time that is required. I think most of the excellent centres are those that have high percentage of parents participating in the programs, and I do not know how we get around that problem in the short term.

Ms. Richards: I mean, it will continue to be a problem. On the other hand, I think if you do have experienced developers and community developers and day care developers like we are proposing that we would hire, there are a number of tasks that those people can do that take it away from -- that commitment away from -- from the volunteers, but I think it is really important... If you want volunteer community people to be involved, I think in any organization you have to be very realistic about the kind of time they can put into it and you have to be able to provide them with the support that they need to do the job without involving a great deal of their time.

Mr. Cordiano: Sure. And that is going to take time.

Ms. Richards: That is going to take time.

Mr. Cordiano: And all of these new communities and in fact most of the suburban areas in and around greater Metro Toronto that will take a considerable amount of time.

Mr. Chairman: There is also time --

Mr. Cordiano: And time is running out on me.

Mr. Chairman: Time has run out.

It is unfortunate that with the numbers that we have we have to sort of cut down and constrain the time, but we would like to get to hear the other groups as fully as possible as well.

We want to thank you very much for your brief and your ideas and certainly they will be considered in terms of our report.

Thank you very much.

The next group, the Council of Christian Reformed Churches in Canada. Aileen Van Ginkel, is it?

Ms. Van Ginkel: Aileen Van Ginkel and Jenny Krabbe.

Mr. Chairman: Perhaps you could come forward. You have a written brief, do you?

Ms. Van Ginkel: Yes.

Mr. Chairman: Perhaps the clerk can pass that out. Perhaps for purposes of the record, if you would identify yourself, and if you choose to read your brief into the record or proceed in any way you wish.

We have not indicated this before, but our next group is scheduled for 3:30, so we would like an opportunity for you to present your brief and for each member of each party to have an opportunity to ask a few questions. So consider that.

Ms. Van Ginkel: We should perhaps identify ourselves more clearly to begin with then.

Reverend Vaneek was going to join me, he is the executive secretary of the council, but...

Our committee, the committee for contact with the government which formulated this submission has its membership across Canada. It so happened that the person who was very much involved in the formulation of the submission, Mrs. Jenny Krabbe, was here in Ontario for a period of time so we had her to replace Reverend Vaneek.

Do you need a spelling of her name for the record?

Mr. Chairman: Perhaps for the record.

Ms. Krabbe: It is K-r-a-b-b-e.

Mr. Chairman: Hansard has indicated it is recorded in history forever.

Ms. van Ginkel: As I said, we do represent the committee for contact with the government which is an agency of the Council of Christian Reformed Churches in Canada. We see our role as addressing more of the religious and philosophical assumptions in issues which often underlie the development and formation of public policy in a number of areas.

In the particular area of child care we offer some broad recommendations, but we do not intend to suggest specific programs for action. Nevertheless, we do wish to point out some of the implications which our submission has for your agenda regarding the role of commercial day care centres.

Ms. Krabbe: I would like to explain just a few points on the issue of for-profit or not-for-profit day care. It

is our contention that essentially the question of for-profit or not-for-profit day care is not really the crucial question, that is a question that is asking whether day care ought to be then in the hands of the public sphere or the private sphere.

We think that essentially any form of child care ought to be primarily in the hands of parents, and that would mean that in the area of day care if a parent should choose day care or should require it for some reason that, nonetheless, that system of day care that is offered remain primarily parentally controlled. And so it is the parental involvement that we would say is most crucial to responsible child care, that that control is maintained at that level; and then a secondary issue becomes this issue of private or public or whether you want to call profit or not-for-profit day care.

So in the area of profit or not-for-profit, if you are going to have some system that ensures that there is parental control, we would feel most comfortable in the area of not-for-profit day care simply because it does afford the possibility of extensive parental control and is much easier, say, than the for-profit system does allow.

We could imagine that there would be instances in which you can have a for-profit system that does ensure that you have parental control. You can have a board of directors within a profit system that has the majority of control held by the parents, and we would then foster that notion if that is the way that was selected. But we would keep emphasizing this issue of parental control as being the most important.

The second thing that we would want to raise under this issue of profit or not-for-profit is that when you are discussing the matter of day care and you are raising profit or not-for-profit, you bring in the economic sphere to bear upon the whole issue of family life or perhaps the economic sphere ought not to have so much to say. Economics already is profoundly influential on all of our daily lives and does pervade much of our work within society and our leisure and all sorts of spheres. And we would rather see that it does not have as much influence within the whole area of the family and care for children because that primarily really is a family matter rather than an economic.

Once you establish a for-profit system you are looking at children more in terms of their dollar value or a service as being rendered for dollars and cents. Not to say that that child becomes entirely an economic entity, but that child then basically carries a dollar tag. To do that and then provide responsible child care, all the while making sure that you do somehow attain a margin of profit, is really a questionable activity, whether you should move the

economics into that sphere.

So we would just rather raise a warning flag, not to establish a set policy that we would say should be followed, but just to raise a warning flag on that matter.

Mr. Chairman: I have some questions from the committee. Mr. Johnston first.

Ms. Van Ginkel: Excuse me, sir. Could we read our submission into the record?

Mr. Chairman: I am sorry. I had asked whether you were going to read it in or whether you were going to address it. If you wish to read it in, fine.

Ms. Van Ginkel: The Christian Reformed Churches in Canada comprise over 19,000 family units within 200 congregations (two-thirds of them in Ontario). As an agency of these family oriented communities we thank you for the opportunity to present our views, and ask you to consider our recommendations for a just child care policy in Ontario.

Our concerns centre on the too many Canadian children who live in a hostile environment shaped for them by adults. Poverty, materialism and individualism are three factors which may warp their growth.

Poverty and Families: Many Canadians live in a degree of poverty that adversely affects their ability to care for their children. The National Council of Welfare noted in Profile Canada 1985 that about 1.2 million Canadian children were living below the poverty line in 1984. Five families in ten lead by a single mother were poor in 1983. Even the number of two-parent families that lived below the poverty line increased by 33.5 per cent in three years. Many of the young and poor families now find it difficult to fulfill one of the primary tasks of families; namely, providing nurture for their children within an environment of trust.

Materialism and the Family: Child care problems also result from the espousal of the prevailing notion that achieving material prosperity results in greater well being for all in the family. To attain that well-being, parents will work outside of their own home. What is meant for the childrens' good now seriously disrupts the family as a nurturing environment. This problem is all the more serious because the work of rearing children at home is not paid. It is widely considered to be a low economic priority. Even those persons trained and hired to care for the children earn little more than minimum wages. These prevailing wage rates discourage gifted people from entering upon this vocation.

The Family and Individualism: Family and child care are also threatened by an individualistic interpretation of

liberty. A popular goal for many citizens is self-fulfillment through the individual pursuit of career goals, economics success and social status. We would be the first to applaude the worth and value of individual freedom, but when individual freedom is pursued at the expense of social obligation and family relationships we would want to raise a warning flag. We believe freedom should be pursued in the context of other important values, such as service, equity, faithfulness, community and justice. Too often individual goals have been pursued at the expense of genuine partnership in marriage or quality care for one's own children.

Family Value Choices: The basic tasks of the family continue to exist and grow even more demanding than in the days when the family property was the sole work place for all its members. Parents still produce and nurture children in the context of family. In other societies and in our own, no social institutions have proven to be successful substitutes for the family. This corroborates our conviction that family is a gift from God to humankind, and that the family is the agency called of God to provide that context in which children can grow in spirit, explore the world and find security of person.

Government and Child Care: Even though we acknowledge that families ought to keep the right to choose their own set of values, we are concerned that some styles of living may result in heavy social and economic costs. We mention the predominant phenomena of family breakdown, child delinquency and other family related problem behaviour. From considerations of public justice, therefore, the government must encourage parents to make decisions in full consideration of their childrens' needs. As the structure and functions of the family are essential to the life of communities and to the province, the government has a vital role in the maintenance of the family. Its minimal involvement requires that it encourage conditions in which healthy human relations can flourish.

Our recommendations: We recommend that the government of Ontario:

- (1) develop its social policies on the basis of the stated recognition that child rearing is legitimate and worthwhile work which is not inferior to other forms of paid labour;
- (2) develop social policies that prevent the necessity of a parent, whether single or a partner in a marriage, to seek work outside the home in order for the family to pay for the essentials of life for its members;
- (3) provide in its social policies for the prior right of parents or guardians to choose a child care facility which is compatible with the basic values held by the parents or guardians;
- (4) develop a funding policy for child care for all

parents who need assistance in providing quality day care, without prejudice to the means of care chosen, such as home care, informal day care or care at a day care centre;

(5) design standards for and implement supervision through licensing of out-of-home child care facilities;

(6) institute child care policies which encourage the development of a community-based infrastructure that supports family life and parental child care responsibilities, elements of which might include, for example, community services and neighborhood institutions which support parents in their child care role and provide supplementary day care when necessary;

(7) where private initiative has lacked or failed, appoint child care consultants who assist in the development of day care centres or services supporting parental home care in poor neighbourhoods;

(8) develop policy to encourage businesses and labour unions to institute appropriate child care support for working fathers and mothers through, for example, more flexible employment arrangements or on-site day care facilities.

Thank you.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: Thank you, Mr. Chairman.

I was impressed by the coherence of philosophy of people from your community who come before committees of the legislation for one reason or another in terms of your ethical values within the Church and also, therefore, your interpretation of what those things mean in social policy terms. Let me start off by saying that. The rest of us sometimes are quite incoherent about these things.

What percentage of your community in terms of adults of child bearing age who have children, school age, say, 12 or under, have families where both of them are working; do you know? Have you surveyed your own community, the 19,000 families, to know how many of them are in the same mould as the growing number of the general population?

Ms. Van Ginkel: We do not have a specific survey. I think we could probably make a guess and say that perhaps 25 per cent of the families would have both parents working outside of the home. That's my guess, maybe Jenny has another.

Ms. Krabbe: That would maybe include single parent families as well, in there. I would have to say that the majority are families where one parent stays home and takes care of the kids.

Mr. Johnston: Since you talk about family as a gift of God and as the unit that is crucial here, it struck me

as well, though, that the community, and in your case it is a religious community, is also a gift of God and has its place and responsibility in terms of the nature of the children within us. Do you accept that as well?

Ms. Krabbe: Yes. That is why we would believe that parental control would be so important over day care facilities. So that if you say language community or religious community, whatever type of community you held as an important value would be that kind of community that you could send your child to a specialized day care, that that was an important element of it, Christian day care, French or whatever, these sorts of things. So, yes, we would uphold that.

Mr. Johnston: I was taking that from your remarks at the beginning but I do not get quite that flavour from the document.

Ms. Krabbe: I think there is mention of it. It should be in the parental choice section.

Ms. Van Ginkel: Also recommendation 3, I think, would understand that as well as recommendation 6 about a community-based infrastructure. We would want to support programs which would be controlled, more or less, locally but would be controlled primarily by the parents.

Mr. Johnston: The final question I have would be that some of the presumptions of a family base for the child nurturing ought to mean woman-based nurturing as well in a traditional family sense. And it has always been acceptable for males to go off and pursue a career but it has not been as acceptable for a woman to go off and choose a career or something for her personal development. Where do the sex roles come in in terms of your community's participation in this?

The last recommendation you have seems to be quite equal because it talks about working men and women and labour programs for them. But the rest of it still seems to be quite based on the notion, besides the materialism question, the acquisitional base of our society at the moment is the major motivation for people to work, the other is self-improvement. It seems perhaps to be more under traditional sex roles that we might have seen --

Ms. Krabbe: I do not think it should seem that way because we have said that often the work within the home is under-valued and it is not necessarily the case of saying that women, therefore, ought to find that value outside of the home. I think in order to bring equality into the situation is we have to acknowledge the role in the home, whether it a woman or man doing it, as an important valuable role. I think that is where we have faltered as a society

primarily; not that we have been wrong encouraging a parent to be at home, but by devaluing that actual role.

So I do not think that our church would have any qualms whether it is the father or the mother who is the care giver but we would strongly uphold that it is a parental responsibility ultimately and not a government responsibility, to be the primary care giver of children.

Mr. Johnston: Thank you.

Mr. Chairman: Mr. Mitchell?

Mr. Mitchell: Thank you, Mr. Chairman.

I tell you quite honestly that I have a little difficulty with your presentation. And I am disturbed and I would like to know -- I do not quite understand what you are saying when you use the quote, and I take it from page 2 where you say, "The work of rearing children at home is not paid."

Are you suggesting that, in fact, those that stay at home to look after their children should be paid for staying at home and looking after their children?

Ms. Krabbe: No, I do not think we are saying that at all. I think it fits in with my comments earlier of saying that we far too much in this society put the value of everything in economic terms, and we have to as a society, not with this issue only, but we have to come to grips then. Things have value for other purposes than just -- they have value in and of themselves and they ought to be acknowledged in other ways than always putting price tags to them. Because we put price tags to them, that is why I think in a large sense we do not value the work of a woman at home because there is no price tag.

It is not on the converse to say that, therefore, they ought to be paid, but that we ought to come to grips with the fact that this is the direction that we have been going. And if we go into the for-profit day care system, you will only increase that tendency to give value always on the --

Mr. Mitchell: Am I correct, then, in saying that you still believe, although it is acknowledged, and I recognize that there is need for day care, but then within your congregation that you still believe that the best place for children to be looked after is in the home?

Ms. Krabbe: No, I do not think that we would say that necessarily. I think that decision should be made by the family and the family can best make that decision for themselves where the best place -- I acknowledge that within our congregation probably the case is that most people personally make the decision that for their situation the

best case is that somebody stay at home. But I do not think we as a church would ever say that that would be true for most family situations. They would have to decide that themselves.

Even if you had sent your children to a day care, that should not mean that somehow you abdicate responsibility as a parent. And you cannot maintain a good deal of responsibility as parents by having day care systems that really demand a lot of involvement by parents.

Mr. Mitchell: I must tell you, I have a little degree of difficulty with that. Let me ask you this question: Do you believe that day care should be universally accessible?

Ms. Krabbe: No, because I do not think that that would acknowledge the family's choices. If you have universal day care and public funding for all day care systems, then whatever forms of care parents or a family would decide to take then that would essentially place a bias in favour of day care. I would, as a mother, have an incentive then to send my child to day care rather than to be at home, and that I think would be wrong. So I think this parliamentary committee --

Mr. Johnston: It doesn't preclude having other programs --

Ms. Krabbe: No, it doesn't. But it does create a bias in favour.

Mr. Mitchell: I guess that is the problem I have when people mention universal day care, that in fact if day care were to become universal that would, as you say, provide an encouragement for families who really did not need to, to have someone else look after their children while they followed other directions.

In a way, I guess, I am being somewhat facetious perhaps or maybe even hypothesizing, but if we reach that stage is it much different than what it was years ago when this country was first created where people were in fact rewarded for having larger families by getting acres of land, and now because they have a family we are going to reward them with universal day care. I am being a devil's advocate here, believe me. Can you understand where I am coming from?

Ms. Van Ginkel: I think in all of this it is the child's needs that are most important.

Mr. Mitchell: Right.

Ms. Van Ginkel: And I think you cannot expect one system to meet every child's every need, and the parents are

the best ones to judge. It may be that even within one family the parents may decide that their oldest child is best in a day care centre at three years old, the youngest one may need more individual care and informal out-of-home care with a relative or a friend may be more appropriate in that case. Or the mother may decide that she wants to follow some kind of a career and make an arrangement with her husband to look after the children. I think all of those choices have to be made, but always with the need of the child in mind.

Mr. Mitchell: Thank you.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: Thank you.

I would just like to pursue one theme and that is the whole question of -- where you point out on page 1 under your heading "Materialism and the Family" and then in your recommendation No. 2. I think what we are talking about here in a sense is that materialism somehow has overtaken our society, and really what we have to be looking at is the value that that has, the importance that that has been placed in our society. And what you are suggesting is that perhaps that has caused some problems in our society and that materialism has overtaken the role of other values in importance.

Where you say here, "it is a problem that is more serious because the work of rearing children at home is not paid. It is widely considered to be a low economic priority." Then on your recommendation No. 2 you suggest that, "the government develop social policies that prevent the necessity of the parent, whether single or partner in a marriage, to seek work outside the home." Can you elaborate on that recommendation? Can you elaborate on that, what you would mean by that?

Ms. Van Ginkel: I think recommendation No. 2 is probably better understood in the context of the first paragraph on Poverty and Family. In other words, we would not want to see child care suffer because the family does not have the material resources, and because of poverty both father and mother are forced to work outside the home; or in the case of a single parent family, the parent has no choice.

Mr. Cordiano: So is it choice that you think is a priority here or would you be recommending that perhaps we somehow move to encourage that indeed one parent, whether it be the male or the female of the partners, look after the children?

Ms. Krabbe: Those two things are not incompatible. If you have fair choice then you leave that option open for

families. You do not create systems that have incentives for one type of care relative to another. So a fair system of choice would leave that option probably more open -- well, certainly more open than it is now to families.

Mr. Cordiano: That is based on the notion of the value of-- or economics, let's look at it from that point of view. By necessity parents have to work, both parents have to work. But if we also take into consideration the other notions that are used and usually espoused and that is that personal growth and personal fulfillment, people work because they also like to work, and pursue careers, et cetera. How do we come to grips with that notion in what you are saying in this context?

Ms. Krabbe: Well, some of that is addressed under individualistic notions. I think that within a family you have to recognize the needs of the individuals, but you also have to look at the needs of the overall family. If those things are incompatible then I think the family has to come to resolve the best solution for that.

Perhaps we need to rethink as a society whether in all cases self-fulfillment is, in the ways that we have always said, is self-fulfillment -- it is commonly understood that for women self-fulfillment means that they ought to go out of the home and pursue various sorts of careers. Perhaps we need to encourage women to have the confidence to say, "I am fulfilled as a housewife." If they are, right now, they are certainly discouraged from even daring to say that if that would be the case. I think that those sorts of things in the whole area of individualism, fulfillment, we have to be a little more open about them.

Mr. Johnston: The odd househusband.

Ms. Krabbe: Sure the odd househusband. Let them dare to say that they --

Mr. Chairman: If there were more househusbands it would be recognized as a greater partnership.

Ms. Krabbe: If there were more househusbands I think the value of taking care of children would probably be --

Mr. Johnston: It would rise dramatically.

Mr. Chairman: I think all that a husband or a father has to do is stay home with his children for a day or two and he will understand what the mother goes through.

Thank you very much.

Ms. Van Ginkel: That is right.

Ms. Krabbe: If you say that publicly then that would help.

Mr. Johnston: I just wanted to ask one supplementary, and it is on this notion that somehow universality would go against what you are suggesting. I think if you look at your first recommendation that the concept of universally well funded day care with really good salaries for day care workers for a change is not inconsistent with also the notion of supporting people's choice to give priority to raising the child in the home, if they did so, and that there could be a comment of policies that would fit with that quite simply.

But the difficulty is that they are set up against each other instead of as a complementary, and that is what I was trying to get to in the notion of the importance of community responsibility as well as of that of a family responsibility. And that within your number one and two --

Ms. Krabbe: But is it universality, is that what is at the heart of it? I mean, I agree that there should be government funding for day care, but should it be a universal system?

Mr. Johnston: All 'universally' means is that it is accessible to people, universally, but not that it is mandatory.

Ms. Krabbe: But when they talk about universal day care system, they are making a choice by saying universal day care versus...

Mr. Johnston: Versus what?

Ms. Krabbe: That puts government funds in that pot relative to staying at home. There then is an incentive for me to go cash in.

Mr. Johnston: There is an opportunity for you to participate if you choose to, which there is not now for a lot of people.

Ms. Krabbe: Okay.

Mr. Johnston: But that does not mean that there could not be policies of equal standing that would allow you to make the choice economically to stay at home, that is -- you are right, as you have said, most people cannot make it --

Ms. Krabbe: But it is not putting the choice in the hands of the parents.

Mr. Johnston: I think that the concept is widely misunderstood.

Mr. Chairman: I would have to follow up on that. That means with unemployment insurance being available that everybody should be seeking unemployment. I do not know whether that necessarily follows totally, but I think that is what you are saying. Simply because it is there that the people will sacrifice their philosophy to move into another area.

Ms. Krabbe: I am not sure it is necessarily what people will do, but it is a sense of fairness. If I, as a mother, have a tax credit and have that system I then can either make my choice to stay home and use that tax credit, perhaps, for some relief sometime for child care at that time or put it into a child care system and go out to work, then that choice is still left with me. I think that is important. That is where this parental responsibility still has its root, and we do not lay that responsibility over into the hands of the government. We say let those parents make that choice.

Mr. Mitchell: If day care were to become uninversally accessible, to use Mr. Johnston's words, then, the parent who chooses to stay at home to raise her children should be able to expect then literally to receive remuneration for doing so because we are doing a blanket funding for people.

Ms. Krabbe: Perhaps in a tax credit or something; not an actual cheque but maybe you would receive a credit.

Mr. Mitchell: Anyway, we have philosophies here.

Mr. Chairman: Let's leave that for Ottawa to formulate in its wisdom.

Mr. Johnson: I almost think we missed the voucher system almost here for a second, I am not sure.

Mr. Chairman: Thank you very much. I appreciate you coming forward. Your views are very interesting and certainly will be given consideration by all the members.

Ms. Krabbe: Thank you very much.

Mr. Chairman: The next group is Action Day Care. Evelyn McKee.

Ms. Davis: I am Janet Davis.

I see Mrs. McKee, you have been here for a lengthy period of time.

Ms. McKee: It is all right, I enjoy this.

Mr. Chairman: Good. That is what I was going to

inquire.

(Interjection)

Mr. Chairman: Do you have a written brief?

Ms. McKee: I am very sorry we do not have a written brief.

Mr. Chairman: That is fine.

Ms. McKee: We had hoped to have a video and there were technical difficulties with it and so we have quickly put together a brief, Janet and I, and I hope it would be satisfactory.

Mr. Chairman: That is fine.

Ms. McKee: That is the best we could do. We did not want to cancel out.

Mr. Chairman: We appreciate that and certainly that is totally acceptable.

Ms. McKee: We will start out by introducing ourselves first, I think. My name is Evelyn McKee, I have been a day care worker for forty years. I recently retired as a supervisor of the municipality of Metro Toronto and I am now a volunteer in the day care movement. I am also a part-time consultant in the day care field.

Ms. Davis: I am Janet Davis. I am currently a full time student at the University of Toronto. I was a day care worker, was active in the field from 1974 to 1985 at which point I left to try and get an education to pursue something that paid more. I am also a parent day and have had a child in day care since he was four months old.

Ms. McKee: I will start and then Janet will pick up.

Action Day Care is an organization of members of the community that have been consistently involved in the day care movement since the early 1970s. We have seen the formation of strong coalitions at the local and provincial levels all across Ontario and we were active in the founding of the Canadian Day Care Advocacy Association at the national level.

In the last two years we have developed into a strategic planning and policy analysis group. We are all actively involved at one or more of the vital levels of the coalitions and associations and women's organizations. Our aim has never changed. Our goal has always been a universally accessible, non-compulsory, publicly funded and well monitored, high quality, non-profit child care system

that serves the needs of all children and their families who need it or want it, regardless of economic status or location.

The Minister of Community and Social Services, Mr. Sweeney, is quoted on Wednesday, April 21st as saying, "Ontario needs 100,000 more spaces to provide a choice for parents of about 300,000 children who are now cared for by family friends, neighbourhood and babysitters, and in other informal settings. The big concern I have in Ontario is such a high percentage of our kids in day care are in the informal system."

May I suggest to Mr. Sweeney that he has good reason to be concerned. In Brockville, Provincial Court Judge Ron MacFarlane ruled on Monday that a local babysitter can continue to run an illegal day care centre out of her home, private home day care, because if the law forced her to close there would be a shortage of day care spaces in the Brockville area. This decision could have wide implications if left to stand.

Mr. Sweeney is concerned about the informal care, and we are here to tell you that the answer is not to pour money into for-profit child care system. Capital money being used to develop the private sector of the child care system of Ontario has serious implications. There are good indications that the for-profit sector provides poor quality care than the non-profit sector. Making profit from child care requires cutting corners in staffing, putting children at risk, offering poor wages and working conditions, and skimping on the consumables and equipment.

Child care workers in the for-profit centres earn 30 per cent less than staff in non-profit child care centres and fifty per cent less than those working in publicly operated programs. In a non-profit program all income from parents' fees and public funds is used for child care. In a for-profit program, a portion of income from parents' fees and public funds goes to the owners and is lost to the child care system. Even with a direct grant in a for-profit program, less money would be spent on the child care program and salaries would still be considerably lower than salaries in a non-profit program. This is poor use of public dollars and poor public policy.

We know from the Katie Cooke Task Force report on child care that no European countries have gone the route of commercial care for children. The United States and Canada are the only two countries that have seen this as an option. What has happened in the United States must put the Ontario government on hold to even contemplate using this as a vehicle for continued growth of the child care system.

In November '86, and I will leave this report with you because some of you may never have had a chance to see it, a

special report in a business magazine called Exchange: "We clearly see that the takeover of a child care system by large chain operations that have swallowed up the small mom and pop single for profit centres, and these large chains are a hot item on the stock exchange."

If this government pours capital funding into the for-profit sector of this province, the 50 per cent of care now provided by commercial centres will be at 75 per cent in ten years and there will be no way to monitor them, and they will be too entrenched to do anything to change them. The time for real decision making is now.

Ms. Davis: The absence of the video gave me an opportunity to share with you some of the experiences I have had working in the field, and believe me, I am really grateful for the opportunity.

Two of the 11 years that I worked in the field I worked in a commercial day care centre. I know that there have been probably several people who have appeared before you who have shared with you all of the horror stories and shortages of toys and disgusting food and lousy salaries, that I could do as well. But I like to focus more specifically on the question of parental control, and it was interesting that someone has referred to this today already. I think I would like to sort of look at it at a micro-level and what happens in a commercial day care centre in terms of control.

The fundamental relationships that exist in a commercial day care centre I think are inherently contradictory if one is wanting to provide good quality care with parental decision making involved with it. Because essentially you have three relationships or relationships between three principal actions, I suppose. You have the owners, you have the staff and you have the parents.

Now, the owner/operators, if you want to put it in crass terms, and I think we have to look at it in crass terms if we really want to understand what is happening, the owner/operators are the proprietors who sell a product. The staff are the workers who in a sense provide the service, but because they do not sell it, they are not really the provider. The parent is the consumer or the buyer of the product.

In a sense, and if you look at it this way, children become the secondary consideration in all of this because they really do not enter into the contractual or legal relationships that exist in the commercial centre. There is simply no other relationship, really, technically, that exists other than a buying/selling one. So really the job of the staff is to produce the product, but also to please the customer, and in fact that becomes your primary goal, is

to please the customer and to perform your work in accordance with the boss' stipulation. I mean, you are providing the product according to the regulations of the boss and you are to please the customer.

The owner is running a business -- the parents as the consumers and purchasers of the product really, as I have said, have no other relationship other than that of the buyer, and they even have no guarantee of the quality of the product that they are getting. The owners, they run the business to make a profit or at least to gain a salary. Quite often they do not make profits over and above a salary, which I am sure you have heard from many other people.

In order to do this, of course, they have to ensure that their expenses are less than their revenues. So in order to make a salary they have to reduce what I call the productive salaries, those are the salaries of the people who actually work in the centre. So that the salaries are significantly lower for the people who are doing the work because the owner/operator is drawing on a salary.

So really what happens is the relationships that exist there are simply between the parent, consumer, the buyer and the owner, the operator as the seller, and the owner/employer and the worker who is the employee; and really no technical relationship exists between the parent and the staff.

Actually I had originally intended to -- and I did not open by saying that the profit day care centre that I worked in was what a lot of people might like to call a good one. I mean, it was small, it had 55 to 60 children, it was a mom, pop operation. Actually it was a mom and mom operation; there were two women who were partners who were early childhood education graduates who had started the day care with very good intentions, who would want to provide good quality care, and in the end it did not turn out that way.

They had originally shared the administrative position; the first one coming in from 8:30 in the morning until 1:30, and the second one coming in from 1:30 until 5:30. So that either end of the day was covered and one of them was there. Because they were also qualified, they were counted in the ratios and were supposed to be working in the program. But as time went on not only were they not there watching T.V. in the staff room, which is what they normally did, but eventually they were not there at all except for one hour in the morning and one hour in the afternoon during the times when parents were coming and going.

So it is with that experience and what occurred at that day care centre that I want to illustrate to you some

of the problems, not just the logistical problems of not having enough of things and what happened.

I think, as I said, there are inherent contradictions with this kind of relationship in a commercial day care centre. In essence, what happens is the owners have total and effective control. The parents can direct inquiries or complaints to the owner and the staff report to the owner and answer to the owner. In most cases, staff are directed, and we were directed, not to field any kind of report, any kind of negative complaint to parents. The only thing we were allowed to tell parents were good things, and if there was anything at all that would have any controversial affect, it was directed to the owner who quite often, really, knew nothing about the situation anyway.

So what happened was that, first of all, the staff were treated very arbitrarily. They had no right of appeal if there were problems. There was no board to which they could appeal or could place their grievances. They were simply met with the response that if you do not like it you can leave. Their attempts to provide good care and to fulfill professional goals were always frustrated by the inadequacies that existed and the constraints that were placed on them because of the lack of funds and the limited operating budget which limited the ratios, or I shouldn't say -- increased the number of children that each child had.

The resolution of difficulties was never satisfactory. Sometimes they were sort of the ritualistic or superficial treatment of internal conflicts or problems at the day care centre at staff meetings and they were often held and in fact we are expected to attend. But in the end it made no difference. We were either made to feel guilty because we were professionally incompetent and if we could not handle the heat, sort of thing, you know, you could leave. So in essence that is what we were told as well. We were told that if you did not like it you could leave. So there was low morale, very low morale and a high staff turnover, and very closed communications between staff and parents.

The extent of the communications were so limited that it was very frustrating, and I saw -- I mean, I had been in the field for a while so I think that my idealism had already become somewhat jaded. But for the women who were fresh out of college and were out to do their job in the way that they had been taught, they were extremely demoralized. It was a frustrating thing to see happen. And then of course there is always the response, "Why didn't you call the authorities, why didn't you inform the Ministry that these things were happening?"

Well, there are all kinds of reasons why you do not all the Ministry. First of all, if you want your job you do not call the Ministry. I mean, that is the problem if you

want to work. It happened at the time I took the job, despite my philosophical opposition to working for commercial care, because this simply was a small town and there were no other options, and you also do not want to be branded a trouble maker. I mean, I found myself getting into trouble a lot because I was complaining about situations and it is not a good work environment, where you are stuck in that kind of conflict all the time. So staff tend not to rock the boat, and it is a very unhealthy kind of a situation.

You do not complain to parents because your job is to please the parents, your job is to let them know that their children are being cared for well because if the owner knows that you are telling them that you have 12 children to one staff member, which I did, fairly frequently I had 12 2-year olds with just myself which is illegal, for one thing. You just simply would be out the door.

Actually, in that particular situation I did complain frequently enough that they finally got me an assistant. I had several assistants actually, all of, I would say 80 per cent OCAP students who turned over, they were all job creation people who were plunked in. I had mentally handicapped placements; I had a number of, sort of, job creation people who were put into it with me which, believe me, was better than nothing, but certainly not the optimal arrangement.

What it does for parents, too, is, first of all, they are kept in the dark, so a lot of people say why don't parents complain about commercial care, why don't they see that it is bad? Well, they don't know what is happening and nobody tells them. The staff do not tell them, the owners do not tell them. The staff cannot tell them. If they are dissatisfied, staff cannot deal with it so they are directed to the owners. The owners can accommodate to some degree or want to accommodate, I suppose, depending on how responsible they are, to be able to deal with some of the problems. But if it comes to a basic question of increasing the operating budget, well, they are not going to budge, they are not going to say, "Sure, we will put another staff person in here and help out the situation." Their response is the same as to the staff, "Well, if you do not like it you can leave." I mean, your only recourse is withdrawing your child. I mean, the same sort of reality sets in as it does with staff and that is there are no other spaces, you take what you can get and you keep your kid there.

Why don't they call the authorities? Well, for a lot of the same reasons that the staff do not. Unless it is some serious infraction, if it is gross negligence or abuse sort of situation they do not feel they are justified. So they quite often do not complain, and besides parents are incredibly overwhelmed with guilt for working in the first

place. And they go out of their way to convince themselves that whatever care they are getting is good care for their child. If they want to they can easily overlook what look like minor infractions or minor problems. So quite often that is what happens.

The other reality is that they are not there during the parts of the day when most of the problems occur. If they come early in the morning and leave early -- if they come early there are not many children there, so they cannot really see what is happening. If they leave early because they have come early, they usually come -- if you are familiar with the day care day -- at about 3:30 or 4:00 when the children are outside and they cannot really see the problems because outside is usually a pleasant time and there are not a lot of difficulties at that point in the day. If they pick up their children late there usually are not that many children left there at that time either. So it is really difficult unless you spend a whole day and a consistent number of days at a day care centre to see where the problems lie.

So parents are, in essence, blind consumers quite often and they have no body in which to involve themselves to have any sort of control as to what is happening. So there are virtually closed communications between staff and parents.

Actually I did leave out the issue of parent meetings. There are parent meetings and private operators who tell you there are parent meetings, and isn't that wonderful that you go as a staff person and you say nice things about the kids, nice things about the program, and you put up nice art work on the walls and you say everything is fine because the relationships require you to do that, to satisfy the consumer. What happens to the children? They become almost irrelevant in the whole picture and they suffer, they suffer from it, and, unfortunately, I think we tend to forget that.

So what I am saying is that there are inherent contradictions in caring for children for profit. The decision making process does not exist. Conflict resolution is impossible, that providing care for profit or producing day cares as a purchaseable commodity or running a day care centre as a business simply does not work because the relationships are internally flawed. Also, no amount of enforcement or policing can effect these sort of subtle things that I am talking about. No amount of supervision could ever deal with the question of morale, the lack of power or control that parents and staff have in a commercial centre.

To oppose that with my experience in non-profit day care, these things do not occur. I am not saying non-profit day care is perfect, everybody knows that. But at least the

mechanisms exist there duly, collectively between staff, parents and the board, which is composed of staff and parents, to deal with conflicts, to resolve problems in the program. And that the relationships between parents and staff are genuine and honest relationships and that they are constitutionally guaranteed in a sense, that legally there exist mechanisms for dealing with them. And parents and staff have a right to effect the child care environment and the decision making process that happens and that does not occur in a commercial day care centre.

So I just would like to inform you that we not take an expedient solution to try and create more spaces quickly. Let's look at finding the right solution so that we do not find ourselves ten years down the road regretting the mistake that we have made at this point in the early development of public policy on child care.

Mr. Chairman: Thank you.

Mr. Johnston?

Mr. Johnston: Thank you, Mr. Chairman.

The document that you were waving around there, I do not think we have a copy of that. Is it possible that we could take that from you and photocopy it for the members.

Ms. McKee: You may have this, I have another copy. I do not think --

Mr. Chairman: Do you need that back?

Mr. Cooke: She says she has another copy.

Ms. McKee: I have a copy of my own at home. I think it would be very useful for people to have. It certainly was not looked for by the day care community, it came to us quite by accident and has been a very revealing document for us.

Mr. Johnston: What was the date on it?

Ms. McKee: November '86, I think is the date. I am not positive.

Mr. Johnston: So it is fairly recent?

Ms. McKee: Yes, it is. It is an '85/86 edition. It is listed on the stock exchange.

Mr. Johnston: I do not have any questions for you. I just wanted to recognize the fact that you have your combination of almost 50 years, a little more than 50 years of experience in day care.

I was teasing Evelyn at the back of the room earlier on that she must feel like she's been at this an awful long time trying to convince people to go to --

Ms. McKee: I have, but it has been a very joyful 40 years. The one thing I have always trouble when we come to speak to any group is that there seems to be the most difficulty explaining to people that universal accessibility does not mean compulsory. Please, let's try to remember that. There is nothing compulsory about universal accessibility. It is there for parents who need it or want it, but it is there and it is good quality care.

I feel for Janet who, in a small town, was forced to work in a situation that she felt was low quality. I never had that experience, and I always found that the relationship -- although I worked for the Metropolitan government and there is certainly a government agency if you want to work for one -- I never found that there was any parent who hesitated to come and speak to any staff member or to me about things they wanted fixed, things they liked, things they did not like. We had open communication. It was a non-profit sector.

Mr. Johnston: Thank you.

Mr. Chairman: Mr. Mitchell?

Mr. Mitchell: I have no questions but I did feel the emphasis of Mrs. McKee's comments, and I mean that kindly not unkindly.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: Just one quick comment. You say 'universally accessible', are you saying universally accessible and free?

Ms. McKee: I did not say --

Mr. Cordiano: We did not explore that.

Ms. McKee: Nothing in this world is free. I expect that if you provide a universally accessible day care tomorrow I would be more than welcome through my taxes to pay for it.

Mr. Cordiano: Through your taxes. So through general revenues that the government --

Ms. McKee: Yes, I would assume. I would also like to say that universally accessible day care does not mean full time day care necessarily for everyone. There is a tremendous variety of day care. When we talk about child

care, we tend to see a very tight little -- like a horse race, we have got something around our eyes that blocks off everything else.

We are talking about the choices parents need. We are talking about Hamilton which runs a 12-hour program in a hospital; we are talking about another place that needs a 4-hour program. There are infinite varieties. The child who must be fed seven times a day has to be in a family home day care program. That child cannot survive probably in a group program.

Although, I had an experienced a year ago just before I left, the last year, I had a little girl who had diabetes, extremely severely, and we did urine tests and we kept a very close eye on her, we measured out her food by the ounces. But that little girl was five by then, she had to have family care when she was very young, when she was able to move into a group program where there was very good staff ratios that we could monitor the kinds of care she needed.

But there is such a variety in the kinds of day care this province and this country needs and we are so fortunate to have the numbers of people who are now seeing day care not as something you have to feel guilty about but something you feel good about.

Mr. Cordiano: Now if You had universally accessible "free" day care; can you qualify that last word?

Ms. McKee: I am not avoiding it.

Mr. Cordiano: What form would it take, non-profit or municipally run or government type run day care that we have in place now and there are two types of --

Ms. McKee: I think it must be non-profit, but I think there is room for a great variety in how that day care is delivered.

Mr. Cordiano: Do you have see any other models that could be conceivable other than those two?

Ms. Davis: I could see that commercial or private day care would continue to exist. There are private schools. But I do not think the government funds should go into them. I do not understand why or how we can justify providing government funds for private services when we are dealing with a service like child care.

Mr. Cordiano: We could talk about that for the next little while, but --

Ms. McKee: I think one of the things that it used to be is people used to register their children before they

were born to get into private schools. People now register their child the minute they are pregnant for day care and that is the truth.

Mr. Cordiano: Then you bring up the whole issue of: Do we have enough spaces, how do we make the system accessible to all those who need it? And that is what we have been discussing for the last few weeks, and how do we get to that point? That raises a whole number of issues that I am sure you are aware of.

Ms. Davis: Sure. I mean, the only solution is to move -- I hate to say it -- to move slowly in the sense that we have to provide significant capital funding to the non-profit sector, place a moratorium on personal service agreements in the commercial sector, do not direct funding to the commercial sector; provide direct funding to the non-profit sector and let the non-profit sector grow. Provide incentives to the commercial sector to transfer their ownership -- to transfer their operational status into that of a non-profit sector. Then we will see really what their motivation is for operating.

Mr. Cordiano: So we will not lose any spaces as you foresee it.

Ms. Davis: Lose spaces?

Mr. Cordiano: Yes. We will not lose these commercially run --

Ms. Davis: I cannot imagine that we would lose spaces.

Mr. Cordiano: Well, there are 990 commercially run centres, and some people will disagree with me, half of those I believe are run by operators that have more than one centre, operating more than one centre.

Ms. Davis: Right.

Mr. Cordiano: How many of those spaces would we conceivably lose? I keep asking this question over and over.

Ms. Davis: I do not understand why you would lose any, they are operating now without the additional funding.

Mr. Johnston: Why? Charge whatever they want.

Mr. Cordiano: How many of those spaces would deteriorate in quality in the interim when we are trying to expand the non-profit sector?

Ms. Davis: That is a difficult question.

Mr. Cordiano: Well, that is the question I am trying to get an answer to.

Ms. Davis: I cannot see that they are going to significantly deteriorate in quality other than the sense that probably more qualified people will go into the non-profit sector.

Mr. Cordiano: We already have a problem with that and will it not become more aggravated? We already have 40,000 spaces approximately run as commercial operations.

Ms. Davis: And they will continue to operate that way.

Mr. Cordiano: Fine. How many of those will become worse off in terms of quality?

Ms. Davis: I think the status quo would be maintained in a sense in the commercial sector. What we are saying is provide impetus to the non-profit sector so that all of the growth will occur in that sector; otherwise, if we entrench ourselves any further in the commercial sector, provide them any seeds of encouragement --

Mr. Cordiano: Let's assume that quality will not deteriorate but it remains the same, and so what choice do you offer to those parents who have to use those commercially run centres because for the time being or for the next foreseeable time period they will only have access to those centres? And quality is a concern and staff salaries tie into the question of quality, and if there are more non-profit centres opening up at, say, an increasing rate, which is what we foresee, that staff is going to move over to the non-profit sector as those spaces open up. And then we are going to have a reduction, as I said earlier, or a lessening of the quality in those commercial sectors because they will be hard pressed to make those demands met.

Ms. Davis: I mean, it is hard to talk all the time in supply and demand. I hate talking about supply and demand. But if we continue to increase the supply of trained staff, then I presume if we do that that there will also be trained staff in the commercial sector as well.

I mean, sure, the transition period is going to be difficult but, as I said, I do not think we should find an expedient solution. Otherwise, in the long run, we will have totally jeopardized the possibility of having a good child care system.

Mr. Cordiano: If it is the government's intention to expand the non-profit sector, its intention is to direct most of its efforts in the non-profit sector, but in the

meantime what do we do with the commercial sector and those spaces that are presently existing?

Mr. Johnston: Let it alone.

Mr. Cordiano: As I have brought up this question of quality and how do we maintain quality, maintain it, never mind improve it, if you are suggesting improving it? In fact, it will not deteriorate. How do we do that in the interim period?

Ms. Davis: How do we do what in the interim period?

Mr. Cordiano: How do we maintain or improve quality, because there is a real problem with quality in those commercial sectors, as many people have pointed out? Are we going to allow them to continue to provide less than adequate care for children? In some of those sectors we are agreed it is less than adequate.

Ms. McKee: I do not think there is a question that some of them probably should be closed.

Mr. Cordiano: I am sorry?

Ms. McKee: Some of them probably should be closed.

Ms. Davis: If you are saying they are less than adequate, the ones that are less than adequate should be closed.

Mr. Cordiano: Okay, then, close, what, 30 per cent of all those spaces?

Mr. Johnston: The point is, Mr. Cordiano, it is illogical which position -- The position which I was trying to bring out again the other day is, what is there at the moment structurally to either guarantee quality at the moment or to cause someone to move into the commercial enterprise or to move out of it? There is nothing that stops them from charging higher fees than another group and going to a cadillac kind of operation if they wish to or an Upper Canada College style approach to this if they want. They have got this whole market to work from in the interim.

What is it now that is maintaining quality? It is certainly not any control over the rates that they are getting because they can charge whatever the market will bear at this stage. That, surely, has to come down to other matters like inspection and that kind of thing.

Why on earth should there be less of them in operation once you make this decision, because at the moment you are not giving them direct grants and they operate and they can charge what they want and they do not have to take

subsidized spaces if they do not wish to and they will continue to exist. I think this is a very false strawman that you have put up.

Mr. Cordiano: Let's assume that they will continue to exist.

Mr. Johnston: Why not?

Mr. Cordiano: Let's assume that for a moment. How do we address the problem of quality of care in these centres where we all recognize that there is a problem with quality of care? How do we address that issue in the interim period.

Mr. Cooke: Like somebody said this morning, improve the day care act and you will have proper inspections.

Mr. Cordiano: We are certainly going to move in that direction, but that is not addressing the real issue. I think you overlooked the real issue and that is the lack of resources, those centres are not going to have additional resources.

Mr. Cooke: How do you look at phasing out the for-profit sector if you institutionalize it by giving them direct grants?

Mr. Johnston: By giving them a direct grant of \$3.00 is not going to do anything.

Mr. Cordiano: To phase them out just because we have to phase them out so that we have the existence of no non-commercial centres, or is it more important to maintain spaces at some degree of quality that is acceptable in the interim period until we have greater supply?

(Interjection)

Mr. Cordiano: Until we have a choice. I mean that is what we are talking about.

Mr. Chairman: Gentlemen, at the risk of once again sounding as though I am protecting one or the other side, I am not, we have an item that I want to speak to the committee about after before they all leave and Mr. Mitchell indicates he has to go. This is something we can perhaps argue in preparing the report.

Mr. Johnston: I am sure we will.

Mr. Chairman: I am sure there will be classic argument on it.

I would like to thank you for coming and sharing with us your concerns.

Ms. McKee: We will be back.

Ms. Davis: I tell you, we are getting used to this.

ITINERARY

Mr. Chairman: The items very quickly are, as you know we have a briefing scheduled with Stoddard and Labelle on the hospital management services portion of our hearings and that is scheduled for April 15th at ten o'clock in the morning.

They would like to have some area of what exactly we want them to brief us on, and I raised that yesterday and asked everyone to think about it. If we can perhaps give them that direction, I think it is urgent that we have it today.

Clerk of the Committee: Yes, I understand that Roberta Labelle is heading up to Ottawa for a couple of days and she would like to get working on this.

Mr. Cooke: I think this idea of having hospital management was the idea of Mr. Andrewes and Mr. Reycraft. It certainly was not mine. It is too obvious, there is AMI, there is Queensway.

I am not sure exactly what the committee meant by hospital management but instead of the overall hospital management there is lots of examples of contracting out the management for housekeeping, food services.

Clerk of the Committee: I think what Roberta was wondering though is that you already have all the information that we have on the subject.

Mr. Cooke: The only information we have though is basically how extensive it is; we do not know what the impact is.

Ms. Labelle: Is that what you would like from her, the impact of private sector management on hospitals?

Mr. Mitchell: A comparison of how hospitals are fairing financially.

Ms. Labelle: Well, she has only got three days to do this.

Mr. Mitchell: I am sorry?

Ms. Labelle: She has only got three days to do this.

Mr. Cooke: I assume that is one of the reasons for the public hearings.

Mr. Johnston: I am not concerned at all by this being a major briefing at the beginning of this. I think this is a review of what the circumstances are, AMI and Queensway, as much information as they have on financial matters that they can and any kind of notion that they can get around impact, but I am sure that will be difficult too in a kind of objective way.

But anything that they have of that, if they would like to try to put into a package for us, if Roberta would like to put it into a package for us it would be handy but it should not be seen -- I mean we have it put down for a full morning but I would presume it would be less than that, than the sort of ministry briefing that we would get on a matter. I would see this as very much just -- these are the basic things you should keep in mind and you then go through this group of people who should flesh it out for us.

Mr. Chairman: Are there any other suggestions? Any other information that is required? All right. Is that adequate?

The other item is -- your caucus is what, Thursday afternoon through until when?

Mr. Johnston: Until Friday afternoon.

Mr. Chairman: Friday afternoon. Well, we had had a suggestion about having the inspection branch appear before us.

Ms. Labelle: I was thinking that in terms of my "staff briefing", what we are putting together is just a summary of the studies that we have been given, the regulations in Ontario as compared to other provinces, and, you know, some issues that have come up. So I do not think I need to really go through that with the committee, I can just give that to you for you to read on your own. So this time that is down here could be available for other -- if you want to...

Mr. Chairman: This is on the...

Ms. Labelle: Thursday.

Mr. Chairman: Can we get the...

Clerk of the Committee: I have not been able to get in touch with anyone. I was told to get in touch with a K. Eastham, and she is at a conference and she left a message for me that she would be available on Thursday. Now, it wasn't my secretary taking the message so we did not get whether it was the morning or afternoon. So I am going to try and get hold of her once we break here and --

Mr. Johnston: Who is she, which presenter?

Clerk of the Committee: She is director of a day care branch.

Mr. Chairman: Why do we not leave it at this.

Clerk of the Committee: I was just looking for any other possibilities if they could not come at this time.

Mr. Johnston: I think --

Mr. Chairman: Friday is not available for you people?

Mr. Johnston: No. They should be here at that time and Mr. Cordiano can help make sure that they will be available.

Mr. Mitchell: -- chase down and have those people here.

Mr. Johnston: If the clerk has got it almost established, fine, but if there is any difficulty with that --

Mr. Cordiano: If there is any problem, please call my office.

Mr. Chairman: In light of what Cathy has said about the time slot for Thursday, can we leave it then that the clerk will try to arrange that and report back to us tomorrow as to whether we can have them in here...

Mr. Johnston: We cannot get a speaker's warrant, I suppose.

Mr. Cordiano: Just give me a call later on today or early tomorrow morning and let me know what is going on and I will try to get some kind of --

Clerk of the Committee: We will stay in the conference room.

Mr. Chairman: Your caucus meeting is at 2 o'clock so you are going to have to be out of here by 1:00, so we have a maximum an hour.

Mr. Johnson: An hour should be fine.

Mr. Chairman: The final item is, on Thursday, and you probably know this from looking at the revised schedule, on the board up there it says 10:30 first delegation, the revised agenda says 10:00. I am sure you are aware of that, just to be on the safe side, and I would urge members -- I

recognize I do not have any way of enforcing this -- but I would urge members to be here on time.

Mr. Johnston: I am even willing to meet --

Mr. Cooke: Starting with the chairman this morning.

Mr. Chairman: That does not matter because no one else was here.

Mr. Cooke: I was here.

Mr. Chairman: I am including myself, Mr. Cooke, in that admonition that we be here on time both in the morning and in the afternoon in order to hear these briefs and prepare our report.

Thank you very much.

Adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 4:19 p.m.



SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

WEDNESDAY, APRIL 8, 1987

Morning Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Jackson, C. (Burlington South PC) for Mr. Andrewes
Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson
Sheppard, H. N. (Northumberland PC) for Mr. Baetz

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Fooks, C., Research Officer, Legislative Research Service
Labelle, R., Lecturer, Department of Clinical Epidemiology and Biostatistics,
McMaster University

Witnesses:

From the Thames Valley Children's Centre:

Njoku, E., Executive Director

From the Ministry of Health:

Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

From the Ontario Family Studies Co-ordinators' Council:

Jazvac, B., Chairperson; Supervisor of Family Studies, Hamilton Board of
Education

Brady, B., Consultant of Family Studies, Durham Board of Education

Head, S., Consultant of Family Studies, Scarborough Board of Education

From the Canadian Union of Public Employees, Ontario Division:

O'Connor, T., Secretary-Treasurer

Harris, I., Equal Opportunities Officer

Kass, J., Board Member; Member, National Day Care Committee

Stotsky, K., Research Officer

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Wednesday, April 8, 1987

The Committee met at 10:06 a.m. in room 2.

COMMERCIALIZATION OF HEALTH & SOCIAL SERVICES:
CHILD CARE

Mr. Chairman: Mr. Njoku? Please come forward, Mr. Njoku. Have a seat there and introduce yourself. We have a written submission from you. Each of the members of the Committee should have that. If you would like to simply speak into the microphone and identify yourself. If you wish to read the brief into the record, by all means, do that; if you wish to proceed with any other matter, go right ahead.

Mr. Njoku: Thank you.

Mr. Chairman: And then there will be some questions after you have completed your presentation. We have a fairly tight schedule, so we would like to leave some time out of between now and the half hour for members of the Committee to ask questions.

Mr. Njoku: Okay.

My name is Emeka Njoku. I am the Executive Director of the Thames Valley Children's Centre, London, Ontario. I would like to make a presentation to this Committee on my views about child care and hospital management in Ontario.

As I said in my written submission, I am very delighted to be here because these issues are very important issues to me personally. To give you some background about myself, when I finished school in Ottawa I was invited to come back to Nigeria to help run the system there. I declined the position after talking with the Health Ministry because I couldn't imagine myself working in the system whereby some people are refused health care or are left to die simply because they cannot afford health care, and some of the rich people there have all sorts of health care they can get or could fly overseas.

So that is probably my one driving force why I would speak out on any health-related issues. Getting to my brief, and my particular position that the Canadian and Ontario approach of publicly-funded health and social services are really far superior to any other health care system I know, and very relevant to our situation here because I could tell you my experience with African

countries, but one could say these are across the oceans and have no relevance, so I would like to focus on the situation in the United States a little bit.

As we know, in the United States, which is the richest nation in the world, they have gone the commercialization route where individual hospitals or health care agencies operate on a profit basis and are free to refuse health care to anybody they wish. The experience of the United States, despite the amount of technology and entrepreneurship they have there in the health care system -- basically, the experience there tells us that a commercialized health care system is basically bad in that what I think is the Canadian approach, or what I call the Canadian culture, is contrary to a system whereby you can refuse somebody health care solely on the basis of ability to pay.

We shouldn't kid ourselves that it could not happen in Canada because it does happen all over the world. When a people are driven by profit - and in a sense, I'm a businessman myself, because I run a private business on the side - when driven by profit they tend to make decisions that would not normally be made. So that would be my opening statement with regards to health care.

With regards to child care, I note the issues there. I would like to say that my basic belief is that the family is the basic social unit and that all efforts in the area of child care should be directed towards strengthening and helping the family cope with the child. I have a dilemma as to whether we should do what I might call publicly-funded health care centres or centres around the child, but let me repeat again that the parents should have the primary responsibility for raising their child, and I'm sure that if that concept is the primary approach for Ontario, ways to help parents can be found.

So another issue that I really -- I know that in Ontario we are concerned about what I call the so-called - especially during the extra billing debate - the issues of what some people might accuse us of being a socialized medical system or health care system or welfare state. Personally, I'm not worried about that, because for me it becomes semantics; I am more interested in people and am more interested in my children, the future of my children, and the future of the population itself, basically the children.

What I think is that Canada is a mixed economy, and under a mixed economy: One, ask themselves, what type of system do you need to care for all the citizens, because I think we have agreed that every citizen shall receive certain services. So the challenge, the basic challenge, becomes to say what type of system would you adopt to care

for all the citizens and at the same time control costs - what I call cost containment - because cost is a major issue, obviously, and nobody can delude themselves about that.

And I feel that if that is the basic question, is how do you provide services to the population, what I call human services, then there are some innovative ways that I think we can adopt or we can look at. I really equate health care and social services, I equate them on the same grounds as national defence. And even I equate, I would use health care and social services, I would put them on the higher priority than national defence, as I said in my written submission. I look at the society as my family and I say to myself, in my family if my children cannot afford health care, cannot get education, cannot feed themselves, we cannot afford to feed ourselves, I really don't need the defence against any enemy you may want to bring on, so to speak. And I also look at anything I do for my family; my children, whether it is staying up awake all night or sending them to school, sending them to hospital, I look at all the effort, parental effort I put in, and I look at it as an investment, not necessarily a costly expense because some of my colleagues will say, well, health care is very costly. I don't look at it as a cost; I look at it as an investment in my family, the Njoku family, and I equate this with society because I am very much interested in obviously this society and I would like to see it do well.

So those would be my opening remarks. I am advocating with regards specifically to child care, as I said, I am advocating a system whereby programmes like parental relief in the home would be the primary strategy, like giving people more time, looking at issues like whether we can give them more time away from work to meet their family obligations, because how do you balance your career or job obligations with your family obligations? And that will be my first choice, is that one.

The second one would be what I call publicly non-profit day care centres to care for children because I still think that in all human services as oppose to what I call commercial enterprises, the primary concern is the quality of care that you are giving to the people. And if I put on my business hat and I say to myself, in the business world whereas I'm concerned about quality and that has to be because the customers have to be satisfied, but the bottom line in my business thinking is that if I'm not making profit out of it - I am not there to serve human beings... For example, if I am a car dealer, if I'm not making profit, I am not going to be staying in the automobile dealership simply because I love my fellow human beings. But that thinking is different from when you try to set up human services; you are there mainly because you want to take care of people and whether you are making profit or not making

profit does not really come into play, sometimes does not come into play, and I stress the word, I stress the fact that we have to care for the costs because it's only a stupid person who would say, well, this is less cost and...

I see a very limited role for what I call publicly-funded day care centres, and why I put it in this, that I've known some day care centres that are publicly -- privately funded, that are for profit and do provide excellent programmes. But the issue really in Ontario is one for the ability and space.

But if there is enough space so that the middle income class group who are paying most of the tax, who are not too rich, to send their, put what I call serious private day care centres can afford it. If the private people want to interpret, that is okay with me.

With regards to health care system, our health care system, I draw your attention, in my written submission there's an attachment from Time Magazine, of an article which is called, "Welcome to the 'No-Care Zone'", and that is what some of it is coming out of the U.S. despite some improvements they have made under their commercialized system. Those are some of the things that are coming out.

But I would like to, because of the time, I would like to tell you some of the things I did when I came to Thames Valley Children's Centre. Basically, when I came to Thames Valley Children's Centre the issue that faced me was the same that faced society, which was how do you within a limited budget, how do you deliver care, and I looked at it that if we in Ontario agree to look at ways to deliver cheaper care to lessen the demand on the health care system, it seems to me that it is obvious to me that we have to switch our basic approach to health care.

In the first place, it is not really commercialization but it is really the basic care. Right now we have what we call our health care system which is good; it is a creative approach. I call it the planned-in approach in my written submission. It basically is a very expensive system of care delivery, where you wait until people get sick before you start caring for them and you intervene with all this highly expensive technology and manpower.

So I am advocating a system of what I call a healthy, actually a health model, which basically deals with prevention, health promotion, protection, and particularly, if you adopt that style, you are looking into cases like environmental issues, like lifestyle issues, human biology issues, that are really the main causes of health problems in our society. And when you look at that type of system and start implementing programmes to address it, you find

that eventually although you are still going to need hospitals and creative care systems, the demand is going to be lessened and you are going to be putting back more responsibility for people's health into the individuals to take care of themselves a lot, so I find that that would be the approach.

I also think that in terms of managing our hospitals, and this is what I did at Thames Valley, is that you have to switch from the departmental operations, because of the Health Disciplines Act and all the professional things, each profession, whether it is the doctors, the OT -- the occupational therapists, the physical therapists, take care of themselves, but if you switch to a programme management system which deals with patients, patient groups, rather than staff groups as the management unit, that tends to cut out a lot of duplications, and puts the responsibility on the patient rather than on the professionals.

And I should end up, because of the time, I should summarize by saying that a lot of the things that are contributing to the high cost of health care in our hospitals, in our society, originate outside the health care system itself, or the management in the hospitals have very little control over this. For example, 80 percent of the operating budget are physician-generated, and the physician is somebody who you have no control over him, just basically what's in -- and you are trying to work into that system and, it seems to me that you people as the policy makers may well look at some of the health legislation to see whether hospitals could be given a better control. And I'm saying that because you are going to have to do something to override the Health Disciplines Act if you are looking into that.

But more importantly, you are going to have to look into all the living causes of health problems in our society, such as, as I said, environmental issues and lifestyle things that are contributing, to give Ontario an affordable health care, publicly-funded health care in the future, as a long-time strategy, rather than some funded approaches like commercialization and other things we are trying to do.

Thank you very much.

Mr. Chairman: I've been following what you have been saying and I have also been reading your brief. It is really interesting in a lot of areas. Perhaps some questions here from the members of the Committee? Ms. Hart? Mr. Johnston? Mr. Sheppard, before they ask their questions, is your party going to be asking any questions? Otherwise, I have --

Mr. Sheppard: Not at this time, Mr. Chairman.

Mr. Chairman: We will give more time then to Ms. Hart and Mr. Johnston.

Ms. Hart: You talk about publicly-funded child care centres. Do you have in mind government run child care centres or non-profit groups?

Mr. Njoku: Non-profit groups. I don't like direct bureaucracy and I worked for the Ministry of Health before. I don't really like direct government bureaucratic, Queen's Park operated health centres. I think our hospitals and our school systems are good models where you have all this publicly funded, you have local control and people that know better what they do than a bunch of bureaucrats.

Ms. Hart: Have you given any thought to how to encourage non-profit groups to set up child care centres? I mean, assuming for a moment that money is not a problem. As we have heard again and again parent groups, for example, often do not have the time, they are concerned with what is going on in their own lives, and very often there is not the range of non-profit groups to choose from in terms of licensing. Have you got that any thought and perhaps we could hear your views.

Mr. Njoku: In fact, in my submission, some of the day care centres are tied into things like church groups, local community centres. In London, I lived in what we call the Westminster community area in London, and I say to some of our neighbours as we talk or play hockey on the street, I said, well, what are your demands, because we all have children. If we had some help to get started -- for example, somebody said, I could help organize a neighbourhood day care centre.

Ms. Hart: What I want to ask you specifically is what help would work?

Mr. Njoku: Obviously money.

Ms. Hart: Apart from money, though. I mean, we can give money to a church group and you won't come out with a good, non-profit child care centre.

Mr. Njoku: Okay. The type of health -- obviously, you have to have a facility to operate, but also management is going to help because you have to have, you have to set up good programmes and manage them well and the other case I am looking at is also the issue of health. You must make sure, even though you can throw money at the people you make sure that they have a quality day care centre.

I see parents watching or coming to call at the day

care centre, where parents also come in because I am a strong believer that parents have to play an integral role. I see where parents take turns. If, for example, the only block to that is, as I said earlier, is where parents cannot get time off from work like myself. I say to myself how much time can I give during the day? But if, as a supposition of policy, that you have some systems adjustment whereby to take some time off on a planned basis to fit the parents, this would help.

Quality assurance, what I call good quality assurance programmes are going to help because I am still concerned about the quality of care, the child is going to get in day care centres, and I say that, I might throw this out, is that sometimes some day care centres -- I say to myself, I would never bring my child in such a day care centre.

Ms. Hart: Thank you. Thank you, Mr. Chairman.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: Thank you. I think the point you are dealing with now is actually crucial. If we go the non-profit route and we -- most of the groups that have been before us have been saying that there has to be, that some of the development the parents have to be involved as they would be in controlling it in their own homes. Then the real problem is how you maintain that over the long run. My experience as a critic of COMSOC now for the last eight years ... is that how long? No, I have only been elected eight years. Six years. It seems longer somehow. I do not know why ... has made me start to question from time to time the community board concept, in that we have seen community boards which have become highly unaccountable, become their own little small group that really has no reference point to anything and they are often used as a buffer by the government in terms of excuse for labour problems that might develop, et cetera, when there is no money being passed through.

So I guess you answered one of my first questions, which would have been how do you guarantee that continued parental involvement, and you are basically saying that with other structural changes, such as parental leave and structuring into the board composition hopefully, a significant amount of parental involvement is a demand.

Mr. Njoku: Mm-hmm. I think one of the shortfalls of what I call the parental, totally parentally run groups is that if you look at what is the mental retardation or something, you look at it, the parents really they have nice ideas and they really haven't got the managerial sophistication to run these organizations, because once you get in with them whether it is the government or hospitals

or schools, you are going to have to have good managers who make sure that policies being solicited or instituted and implemented in the right way, so I would say the same way: We have to inject some managerial competency into these groups and accountability into them.

Mr. Johnston: I think, it is not a question, just to compliment you on the fact of putting the two issues together here in a framework that is coherent and makes sense; nobody else actually has done that yet. We have separated them out ourselves at this point, and your background allows you to deal with both of them.

I was wondering just off the top whether part of your feelings about the Nigerian health care system are affected sort of like mine as a doctor, in Nigeria, by the fact that the President recently went to France for major surgery rather than using the hospitals, public or private, in the country, and this whole notion of elitist medicine seems to be there, and it was having a very negative moral effect on the country at the moment.

Mr. Njoku: I think so, and just to generalize it, I think because sometimes, why I try to generalize it is because Canadians seem to think that what happens in Africa is very far off. If I put that back into the American context, is that what is happening in the United States now which is the same culture as we are is that you have, which is the same culture that we are, is that you have many tiered systems. If I want what I call serious care, I know where to go and get that. If I am in Houston I have -- there are people who go to certain places and what they call the public hospitals are the dumping grounds for the people, and I find that, as you said, I find such a system, a class system of services, I find it very offensive to my personal beliefs.

Mr. Johnston: Thank you.

Mr. Chairman: There do not appear to be any further questions. I would like to compliment you as well as Mr. Johnston did. I think it is well put together. I would like to ask you a question.

You indicated on page four that child care as such as in the family day care and nursery schools, the primary approach should be non-commercialization with a secondary role for commercialization. How do you see that secondary tier, as it were, being funded? Do you see it funded at all by government?

Mr. Njoku: Not really. Because if I am in a business to make profit and I start it as an entrepreneur, then I do not see why the government should fund it some way. And I must admit, as I wrote this paper there is a

little bit of contradiction in my thinking simply, as I said earlier, the only reason I put it in there is because I have seen some good day care centres.

Mr. Chairman: Well, then you are not far off from what some people have been telling us, that they believe there is a place for centres that are for profit, but we are sort of along the lines of private schools and that being available to parents who can pay that amount and subsidization by the government; is in a what you are getting at?

Mr. Njoku: Yes, that is basically what I am saying.

Mr. Chairman: Then, at the bottom of page four as well, you touched on an item which has been dealt with by some other people that have come before us. You have said, "We should strive to create community day care centres just as we developed public schools for our education system." Are you suggesting that the structure should be similar to the way the educational system was set up?

Mr. Njoku: Yes. Because I look at it, I say, okay, the day care centres or the type of day care centres we are looking at in a sense is like we call it now pre-school; that is what most people call it in the floor. They call it pre-school. And if it is pre-school for people who are not up to six years of age when they have this type of thing ... it seems to me that the model of schools, and one of the reasons I put it in is that in our school system, our public school system has developed so that people do not have to go too far from their neighbourhood to get there. Instead of my driving across the town to get to a day care centre --

Mr. Chairman: That is in some areas in Brampton you have to travel across the city.

Mr. Njoku: But in the London -- for example, the model the school system strived to get, at one point, was where kids would get taken to the communities, so that is what I mean.

Mr. Chairman: Just one final item, you have noted about the nursing homes. You actually brought the nursing home situation in here in terms of parents, but we are not on that yet. We may not have you back unless you want to come back. Your view of nursing homes is more along the lines, or at least I get the impression that you believe that families should look after their elderly.

Mr. Njoku: Mm-hmm, yes.

Mr. Chairman: Wherever possible, as opposed to --

Mr. Njoku: I think our society and our society has

gone so sophisticated now, because of employment and certain things, that we have broken in my view what I call a life cycle, because to me my life cycle when I was young, my parents took care of me. They had to work nights, they had to -- and I think the way is that when they are old to sort of reciprocate, but that has been abandoned now. And I would like to see that come back where instead of every -- when I was a student - I am digressing a little bit - when I was a student I worked in a nursing home in a government programme and my job at the time was to try to organize socialization activities, and the common feeling I got throughout the nursing homes in those days was a feeling of abandonment and people were glad that people like us - I don't know whether they knew we were on a summer project from the government - we were coming in to say hello to them and talk to them and I would say, you know, this is not -- you know, it is very, very undignified for people, certain people who have relations and kids to feel abandoned. So that is why, that is my position.

Mr. Chairman: Thank you very much. Are there any questions, any further questions?

Mr. Johnston: There is one thing I would just like to say, is the danger I see with going strictly on the school model, and I do not think that is what you are suggesting because the emphasis in your brief is that in fact in structural terms now we have moved away from the neighbourhood-based school, and the professional planners of education and the professionals and the teachers in education are all moving much more towards programme notions of how you organize things, and therefore you are getting more and more centralized schools and kids of younger and younger age having to go farther distances.

It may be by infusing day care into it, it may be a means of actually retrenching a neighbourhood school, in a sense. I worry, as I talked about this yesterday, about the way our school system has gone in terms of lack of parental control in the system and the high bureaucratic and professionalized control, and I would hate to see that happen to some of the wonderful creativity that is involved in early childhood education at the moment.

Mr. Njoku: Yes. In a sense, I could understand why, because the school system now would go on a programme or specialized programme. But I think basically in a day care centre, what we are doing is basically we are trying to babysit.

Mr. Johnston: I hope not.

Mr. Njoku: You know, there are things we do there -- like, my child is in a day care centre and is getting a lot of education, but she is only there because

two of us are working. She is only there because two of us are working. If one of us had the flexible times, so to speak, she would not be in a day care centre, but I look at the -- I think what I am saying is that, okay, there is need because, for example, in London now I am sure the concept is same, there is such a long waiting list to even get into any type of day care and I pay -- what everybody is saying is, okay, let's create the space, we have to create some space. And as long as we create the space and put some quality controls into them, at least we are starting, becoming more child oriented. I am saying do something about it, rather than talking about it all the time.

Mr. Chairman: Thank you very much for coming and I wish you a safe trip back to London.

Mr. Njoku: Thank you. You did say if I want to come back, if at any point in the health care system which you feel like inviting me back I would be more than delighted to come, on any issue.

Mr. Chairman: Well, we will make a note of that and we have your brief with reference to the next matters. We are not really going to deal with it on the general basis you have addressed it. It would probably be a good idea for that type of input to be made to the Committee being chaired by an opponent, I believe it is the -- there is one being carried on now, the Evans Commission. You do address some of the areas that we might be involved in with management contracts and possible other areas. We appreciate your coming.

Mr. Njoku: Thank you.

Mr. Chairman: Just before we go on to the next brief committee I have been advised by the clerk that the 2:00 o'clock group have cancelled, and what I am going to ask you is, do you want me to have the clerk see if she can have the 2:30 group scheduled after the 11:30 group and we would sit a little later rather than come back at 2:00, or would you prefer to come back at 2:00?

Mr. Johnston: Does that mean they would come back this morning?

Mr. Chairman: Yes. If it is possible.

Mr. Johnston: That is going to be tough. I don't know if we can do it all.

Mr. Chairman: That is why I am asking first and if we cannot, then we will come back.

Mr. Mitchell: Who was to be in at 2:00 today?

Mr. Chairman: The National Action Committee on the Status of Women.

Mr. Mitchell: What...

Mr. Chairman: They were supposed to be in on another date, on a Monday in May.

Mr. Sheppard: Well, Mr. Chairman, maybe if Jane cannot come in at 12:30 maybe she would come in at 2:00 o'clock. I don't think -- I am the same as Richard, I do not think we can phone her and ask her to be here at 12:00.

Mr. Chairman: All I am doing is canvassing the Committee at the moment. If that is convenient to her. If it is not convenient to her, we will come back at 2:00 o'clock. I am just trying to see if that will be better for the convenience to her and convenience to us as well. Would you be content to do that if it is convenient to her to come in at that time and we will sit until 1:00 o'clock, let's say, to have you here --

Mr. Mitchell: Well, I have another commitment, but I don't know if --

Mr. Johnston: I think it would be better to have her come in at 2:00.

Mr. Cordiano: I have no problem with that.

Mr. Chairman: We will ask the clerk to --

Mr. Mitchell: I just want to make sure we have a quorum, that is all. Some of us have made other lunch commitments.

Mr. Chairman: We will not ask her then to move up then. Ask her if she may come in at 2:00 o'clock.

Mr. Mitchell: Mr. Chairman, if I just may. I feel I have to come back to this situation. I realize that we in fact adjusted schedules to allow for our caucus and for the NDP. I know we had to. We asked some people to adjust their time, but I really must say that when we went two days without any delegates, the first week two days, the second week without any delegation, and then two days running to be informed of cancellations, I thought we were dealing with pregnant and important issues and I just have to question what level the importance is with people that are backing out like that not once but twice.

Mr. Chairman: Well, the National Action Committee, as I recall, we could not decide -- was that the one --

The Clerk of the Committee: Yes.

Mr. Johnston: But there was one at another time, right?

The Clerk of the Committee: I do not know. I did talk to Barbara Cameron yesterday morning. I caught her when she was on her way to the airport to go to Ottawa, so I am assuming that with her schedule she just could not fit it in. And that is an assumption I am making.

Mr. Cordiano: Well, I am very well aware of what goes on in this place. It is not unusual for most of the groups to want to come at the end of the session; I think that is just a natural course of events. They want time to prepare. I do not know how much advance notice they had. I do not think we should get too excited about that.

Mr. Mitchell: Well, I must disagree, because any committees that I have been on if there have been delegations we have known what time and very, very seldom have the committees I have been on had to play around with scheduling like this. Anyway, I have made my comment, Mr. Chairman.

Mr. Chairman: Well, I do not know whether -- are they saying they do not want to come or just cannot make it at this time?

The Clerk of the Committee: I think they are saying that they won't be coming at all.

Mr. Chairman: At all. Because of lack of interest or do you know or because...?

Mr. Johnston: I mean, it is outrageous --

Mr. Chairman: What?

Mr. Johnston: I think it is outrageous that they are not coming.

Mr. Chairman: Did you say they are not coming at all?

Mr. Johnston: -- given their positions which are already publicly stated --

Mr. Chairman: Well --

Mr. Johnston: But I think that -- lack of interest -- there isn't anybody who comes before us and puts their point forward, they are putting it forward in the sense that this is not an important issue as it concerns them, so why don't we hear the next ones who are here to tell us that.

Mr. Chairman: All right. The next group is the Ontario Family Studies Co-ordinators' Council, Hamilton Board of Education. Jazvac, is it? Beth Jazvac? Would you like to come forward? And Shirley Harrison?

Ms. Jazvac: Shirley is not here; Sandy Head is here and Beth Brady.

Mr. Chairman: All right. Perhaps you would like to come forward and sit down in front of those microphones.

This is going to be a visual presentation, I gather, is it?

Ms. Jazvac: Part of it.

Mr. Chairman: We may have a problem. Unless you could sit down at that microphone next -- oh, is that right? All right, there is only one slide, so that is fine.

This is going to be a multi-faceted attack on our senses.

Mr. Johnston: This is a suggestion. Perhaps we could have Aviva Hosek to come as the past president of NAC and tell us of her opposition to the provincial programme.

Mr. Chairman: She is busy at the moment.

Mr. Johnston: She may not be busy tomorrow. She may not be busy tomorrow, so we can see --

Ms. Jazvac: I find the lack of formality wonderful.

Mr. Johnston: Actually, your organization has come here many times and put us in our place. We are looking forward to a very disciplined hearing today.

Ms. Jazvac: Not my style.

Mr. Chairman: Is there something that we can proceed with in advance or is this all tied together?

Ms. Jazvac: No, I would like to use the VCR just during the last seven minutes --

Mr. Chairman: Maybe we can proceed then with the start and we will try to get the appropriate type of machines to run the tape.

Mr. Johnston: I think we should start.

Mr. Chairman: That is a good idea. Proceed.

Ms. Jazvac: Good morning. My name is Beth Jazvac. I am Supervisor of Family Studies in the City of Hamilton, and also chairperson of the Ontario Family Studies Co-ordinators' Council. With me are Beth Brady, who is Consultant of Family Studies in the Durham Board of Education and Sandy Head who is Consultant of Family Studies in Scarborough. And you are quite correct; we are back again.

The submission that we presented to you this morning includes a table of contents and submissions of committee members. The committee members representing those people who have put together the brief, certainly the whole Ontario Family Studies Co-ordinators' Council, which is 40 members strong at this point in time, supports the submission of the brief although their names are not mentioned.

Page one of the brief indicates the aforementioned times that this organization has met with the various committees: November, 1982, the Standing Committee on Social Development; December, 1983, the Standing Committee on Social Development and Child Abuse; and May 1986, with the Federal Commission on Child Care.

The kinds of submissions that have been made to each at those organizational times have been relatively similar and the content of this brief is to hopefully reinforce the efforts of this particular Committee, underline some of the recommendations from the Federal Commission on Child Care and to point to some further directions that we might see from our perspective in education.

Family Studies is about to receive a new Ministry of Education guideline which places very strong support in terms of family education and parenting education and looking at families and technology within a changing society. We have included on page three the definition of the family as we see it, and what the discipline itself entails. Page four and five, and part of six, are some of the prominent trends in family life; I will not read them all because they really set a stage and you are all as familiar with them as we are.

But what is happening to Canadian families, we are seeing a change. As I teach in a secondary classroom, which I have not done now for two years but I spent 20 years teaching in one, the kinds of assumptions that you make about students are entirely different than they were when I started teaching in 1968. It is not good enough to say that the family is changing; it is now only good enough that we provide some support and validation for those students who are in our classrooms. So I will not go on about the changes in family because I know you are aware of them. Family Studies, though, the subject area, has changed tremendously in terms of validating the family and looking

at the nature and functions of the family.

Page six looks at the new courses: grades seven and eight, families, family environments; grade nine, food and clothing; grade eleven and twelve -- you can look at the focus there in terms of parenting, housing and economics in the family. We have also very strongly entered the real world in that co-operative education in family studies plays a very, very strong role in that students are exploring career explorations or working on relationship skills, and working in hands-on situations.

The Ontario academic credit is called "Families in Canadian Society" and it looks at how one becomes a functioning adult within a very changing society.

Page 7 and 8 are recommendations that were brought to you November 19 -- were brought to the provincial government at the time in 1982.

Page 9 is recommendations to the Standing Committee on Violence in the Family. Those recommendations are quite similar to the recommendations brought in '82; that was August, 1983.

Page 11 refers to prior recommendations made to the Federal Government of Canada on the Select Committee on Child Care. A lot of what I had written in that submission to the Federal Commission could be implemented more by provincial governments than by the federal government, so it is sort of direction.

Page 16 reports on what was said in terms of our recommendation when the actual report came out. So all I have done is taken the report and highlighted those particular recommendations that we have made in the past that haven't received as strong implementation as perhaps might have been. For example, "Faculties of education and teachers' associations should train their students and members to be aware of the problem of wife battering. Teachers should be familiar with the special needs of children from violent homes." I do not believe we have progressed as far with that as we need to progress. "The Ministry of Education should develop guidelines for a mandatory Life Skills...", we now have a Life Skills guideline from the Ministry of Education, called "Personal Life Management". It is not mandatory; in fact, it doesn't even have a department affiliation. Eight of the modules of 12 modules really are drawn from Family Studies curricular base and therefore across the province Family Studies Departments are developing those modules, but there are not mandatory credits. "The Ministry of Education should encourage school boards to incorporate the topics of husband-wife violence", sexual violence, "in existing courses where appropriate, such as Family Studies and

Physical and Health Education." That has been accomplished. Similar reports from the family violence -- similar recommendation a year later.

Now, page 18, I must confession to an emotional reaction. I wanted to include a comment from the Federal Commission on Child Care knowing that I was coming here and yet the time line was very tight. In fact, I did not even receive the whole version -- like, I was listening to the media, as everyone else. Therefore, I apologize, but I might point out that the article on child care credits that I have verbatim quoted from the Globe and Mail, Wednesday, April 1st, does not represent what is in the actual report, so it is interesting to look at bias in terms of the media and, frankly, I wonder whether the particular, whether the whole document was read before the newspaper article was reported on. Therefore, some of the things --

Mr. Johnston: Very bad presenting.

Ms. Jazvac: Therefore, I apologize for some of my emotional comments, ten of them down the side; however, I would like to underline using the fact that I did want to report on this, on some of the things that are here. Is that appropriate? That I am not quoting the actual report, but referring to it when I have got it; is that okay? Okay.

The recommendations in this report, page 47, we heard about several local initiatives to meet the needs of school-aged children. The Toronto Board of Education has more than one hundred day care centres in its school and so on, and it reports on Peel, et cetera. Day care centres benefit from their involvement. Obviously, we are listening. Page 48, we recommend that provincial and territorial governments encourage educational authorities to provide space and equipment and to promote school-aged child care services in co-operation with parents and volunteer groups. I have a big difficulty with the implementation at the provincial level in terms of that recommendation.

Minister Sean Conway has come out and said that day care use of space in a school is not a legitimate use of space. He also lumped adult education in the particular letter that was sent at that point. I wonder whether or not that comment is Bill 30 driven, in that should an arbitrator have to make a decision between a separate board and a public board in terms of the use of space and divisions of existing schools, whether or not that particular statement has reference to Bill 30 more than it does in terms of day care and the kinds of things that we know need to be provided and indeed are being provided. One wonders what will happen if all of the day care spaces had to be removed from the school systems, because that is an incredible group at the moment across Ontario. In fact, I think it should be supported and fostered. Therefore, I would ask that the

provincial government request that the Ministry of Education reconsider its position on the legitimate use of pupil spaces.

Another recommendation. We recommend that the Canadian Broadcasting Corporation accord priority to the National Film Board and private companies dealing with the development of parenting skills and healthy family life. Certainly, the National Film Board has supported the family studies area very strongly in the past and perhaps the provincial government might assist them with extra funding rather than cutting funding.

On page 73. We recommend that the Minister of State for Multi-culturalism promote the development and exchange of pre-school multi-cultural programmes. The Toronto Board of Education, their parent drop-in centres, primarily the funding for that is from English as a Second Language base in terms of the multi-cultural dimension. I would ask that that could be broadened in order that more multi-cultural dimensions could be added in pre-school programmes.

On page 78. We recommend that provincial governments co-operate with school boards to develop assisting programmes that enable adolescent mothers to complete their high school education and provide quality day care for their children.

That is as strong as they could have come out in saying that there should be day care centres in secondary schools. They are used by the community; they are used by adolescent mothers. The adolescent mothers get support for their particular parenting skills. They are used by adults returning to school to complete their education. They are extremely valuable.

And on page 87. We recommend that a new secretariat be established within Health and Welfare Canada to administer the Family and Child Care Act. One of the recommendations that I have put in the end, accumulation of Ontario Family Studies Co-ordinators' Council recommendations, is that you might consider a super ministry which might deal with the whole needs of the child.

I would just like to draw your attention to the current recommendations of the Co-ordinators' Council which begin on page 19, that there be a redefinition of what constitutes required programme, in order that we assist adolescents with significant needs in terms of life skills and parenting.

The previous government under Bette Stephenson worked on the Personal Life Management guideline which was, at the beginning, when it was piloted, intended to become compulsory, and then the government changed and it no longer

was to be compulsory. In fact, it doesn't even have a home.

Two, that schools be encouraged to actively seek and provide for the significant needs of adult students. Not only can we assist the adult students, but they assist our adolescent students as well. The meeting of the generations within a classroom is fun to teach in, as I can attest personally. That secondary schools in Ontario arrange for the provision of day care for the use of secondary school students, teens, and adults for their babies and pre-schoolers, as well as the community. That in connection with these day care facilities students of appropriate courses, family studies, life skills, be involved in a meaningful programme of practical experience in interrelating with young children in an on-site day care centre, which works beautifully, we know; have many.

Four, that the secondary school courses emphasize future orientation, looking at technological change, that secondary schools be encouraged to develop a caring curriculum involving everyone in the building of the school. That before- and after-school day care be provided in the elementary schools. That lunchroom supervision be co-ordinated with the before- and after-school programme in order that better care be achieved for the whole child. We are fragmenting care a bit too much. In mandating that there will be lunchroom supervision, that is frequently different from the person who might look after the child before school and after school, and the child has whole, unfragmented needs, rather than fragmenting a day. That the age and family groups in society be encouraged to evolve in a less isolated, more integrated pattern.

I spent yesterday visiting parent drop-in centres at the Toronto Board of Education and one of the things that impressed me most was the number of grandmother aged women, who were literally dropping in to these parent drop-in centres and assisting and thereby meeting some of their own personal needs and isolation feelings in terms of a parent drop-in centre, an absolutely lovely model. So parent drop-in centres to assist parents with some of the stresses of child rearing and the isolation of being at home by themselves can fulfil all kinds of other needs. There are co-op students from Early Childhood Ed from Ryerson assisting in parent drop-in centres. There were nannies who were working with assisting with the programme and so on; all kinds of corollary benefits to the provincial government facilitation.

That nine, as I was mentioning before, that the Ministries responsible for the child be meshed to deal with child advocacy on the whole. Perhaps the idea of a super ministry for the whole child is really the best idea - those ministries are the Community and Social Services, Education, Agriculture, certainly, I forget to mention

Labour - with appropriate meshing of responsibilities of the Acts.

That more appropriate family support in terms of maternal leaves and job sharing be encouraged. This report addresses changing maternal leaves from 17 to 26 weeks. It does not refer directly to encouragement of job sharing and I think that perhaps it could have done that. That the legislation gap between the care of the child between nine and eleven be addressed. "Latch key" children are more depressed, they are more anxious, they are more aggressive and they are more prone to suicide attempts in later life. We know that, yet we have still have a gap in legislation where the child is really cared for by nobody. That parenting courses be made compulsory in the secondary school. The rationale following? Part of it -- I could have gone on for another 67 pages on the rationale for parenting being a compulsory course but I would like to highlight this directly.

There is ample popular and documented research information to point to the need for parenting education. One cannot listen to the news reports without being well aware of the increase in family stress and violence. Since we have not, as a society, indeed globally, dealt with the healthy dispersal of anger, we really need to look at assistance.

The family as a group and as individuals within the group need our assistance. The Sudbury research on child abuse prevention project centres on parenting education, Appendix B. The result indicates that parenting education makes a difference. Dr. Pearl Karal's research on parent education for the young, a literature survey, says in the conclusion, pages 52 and 53, 1984: There is universal agreement that families need help in rearing children and preparing them for family life. There are excellent programmes and excellent curricula available as models. The curricula to which she refers is the Ontario Ministry of Education guideline and school board second generation documents. Despite the existence of well thought out programmes, the outreach of these programmes is a major concern. The best curricula cannot influence students who do not take the course.

In 1985, 35,000 senior credits were achieved across the Province of Ontario in Family Studies courses, and 11,000 grade thirteen credits achieved for the grade thirteen family course. In my perspective, that is not enough; therefore, we are asking you -- although it is growing, it is certainly one of the fastest growing secondary school courses. Almost all, well, I guess I can't say almost all the rest of them, but many other courses are declining in enrolment and Family Studies still proceeds, because of curricular revision and being relevant to today's

needs of an adolescent, still proceeds in a very orderly fashion to increase enrolment.

Mr. Chairman: Do not want to interrupt you but we are going to have questions from the members of the Committee, and we are on a fairly tight schedule. We have two further presenters, so just that I would indicate that to you.

Ms. Jazvac: Shall I stop?

Mr. Chairman: No. Just --

Ms. Jazvac: Comments. We have the courses, we have the public support; we need government assistance to make it a mandatory credit.

The appendices are a summary of the child abuse prevention project in Sudbury, and some statistics, actually the statistics in here that Shirley Martin and her committee had access to are up to 1986, therefore, I might draw your attention to those instead of to mine, which are not as up to date as I might like them to be.

--- VCR Presentation: "Playschool", by Peel Board of Education, 1983.

--- Slide Presentation: Child Care Article
"The Toronto Star", Page G8
Thursday, January 16, 1986.

Ms. Jazvac: This isn't something new. Playschool with Family Studies is not something new. This is a girls' vocational school. You will not see young men. Were it not a girls' vocational school you would see young men in parenting classes.

Mr. Chairman: Somebody -- grab those lights? Okay. Unless the Committee wishes to remain in the dark... Any questions?

Mr. Cordiano: Oh, I imagine there will be.

Mr. Chairman: I would like to find out before the other -- probably at least one.

Mr. Leluk: Mr. Chairman, I have a couple of questions.

This is an interesting programme, and do you know if other boards are proceeding to implement such programmes in some of their schools, this programme or course on parenting, childhood parenting?

Ms. Jazvac: All boards who teach Family Studies

have a parenting course at the senior level. All of those parenting courses have a practical component that works with children. They have evolved different ways of doing that. They might have field placement in junior kindergarten that is in a school that is on the same campus; they might send students out to local day care, sort of nursery schools, and have the field component in a way. They may bring in students. We used to take all the furniture out of the classroom and make it up as a day care for a week of afternoons, so that students had the practical experience. It depends.

Hamilton has one pre-school right now, pre-school lab. Two will be beginning in September. We have one day care in a girls' vocational school that is also a parenting support programme. In other words, the parents have to work in it. It is a special project with provincial support. There could be many, many more of these programmes.

Mr. Leluk: Does your organization support universal day care? I mean, do you feel that anyone and everybody should be allowed to drop their child off at a day care facility whether they actually go to work or whether it is just because they may wish to pursue some other things in life? I am concerned, I just want to know what your position is on universal day care.

Ms. Jazvac: We are strongly in support of day care and universal accessibility to day care.

Mr. Leluk: Mm-hmm.

Ms. Jazvac: We have, because of our education background, certain recommendations that we might make. In other words, before- and after-school day care, the student is on his way to school. Therefore, it makes eminent sense that the building is there, the facility is there, that before- and after-school day care be provided at least partially within the school system.

Mr. Leluk: So therefore you support universal day care?

Ms. Jazvac: (Nodding.)

Mr. Leluk: Do you feel that parents have some responsibility in child rearing and that there may be an abandoning of that kind of responsibility if someone feels they can just drop their child off at a day care centre or some facilities where they will get this type of service?

You know, you are talking about parenting. I agree with what you are saying here in your presentation. I think there is a need for this type of education. There are many young people today, I feel, who cannot cope with raising

children for whatever reasons - stresses, financial stresses - this seems to be a problem today more so in our society than in the past.

But I am also concerned as a politician, and I am concerned about taxpayers' dollars being spent wisely and I am just concerned that if we make something readily available for anyone who wants to use that service, whether they really need it or not. And I am talking about need now, I am talking about people who really require the service, are going to use that service because it is easy to have someone else look after your children. Much easier, than to have someone else look after them, possibly, than the parents themselves.

Ms. Jazvac: I believe that parents certainly do have a responsibility, but parents and children also have a need today.

Mr. Leluk: Well, I have talked about that need. I am not talking about a need, not a fringe benefit for some people.

Ms. Jazvac: Good day care is supportive of good child rearing. Certainly, the day care my two six year-olds have been in have been even supportive to me as a parent.

I think that we have to get away from thinking of day care as little kids hanging on a fence waiting for mommy to get them. My kids said, mommy, go and wait in the car, I am not finished yet, I am not ready to come home yet.

Mr. Leluk: I would just like to have one last question, Mr. Chairman. I will try to keep it short.

Could you just elaborate on the type of programmes you are talking about when you are talking about pre-school, multi-cultural programming? What are we talking about? Are we talking about instruction in the classroom setting and the language of the particular child? What are we talking about?

Ms. Jazvac: No, a day care that is organized in order to assist with English as a second language or sharing of cultural background and so on. It could either be a parent drop-in centre or just organized for the little people.

Mr. Leluk: Thank you. Mr. Chairman?

Mr. Johnston: Mr. Chairman? Perhaps I could just start off with one request, and that is that we might have tabled with the Committee the position on day care as elaborated by Mr. Cousins before the federal task force and enunciated by the leader of the Conservative Party

thereafter. I must be mistaken. I just -- some of the questions kind of from the Conservative members of the Committee just do not seem to jibe with what I remember hearing at that time. Having followed Mr. Cousins in the presentation, having had the experience of hearing that and then other things said in the House. I just wondered if we could get that to circulate to the members? It would be perhaps just a useful thing for us at all to see, and compare it with some past liberal thoughts, see where we are going in all of this. It is all very fascinating.

Mr. Chairman: On behalf of our group, it is a pleasure seeing representatives of the council again. Going through the times you have been here, looking back over my history on the Social Development Committee and some of the initiatives I have taken and remembering the effect that your presentations have had on that Committee, and unfortunately not so much in terms of curriculum change and legislative change but at least in terms of recommendations following from that committee.

I think we were quite sensitive of the suggestions you were making. One of the things that struck me today was the notion that our high schools are changing dramatically and are becoming centres for adults as well as for adolescents, and that within that kind of a setting there is more and more need for recognition of children as part of the lives of a lot of those adolescents now and, in some cases, too many of those adolescents now, and definitely the adults involved, and therefore your concept of a secondary school may be being a place both in curriculum and Family Studies but also in support for people going back to school is a useful thing for us to keep in mind.

But I am developing a problem about the notion of the school system dealing with really childhood education as the major deliverer, and I want to have your thoughts on this. It is my perception that if you look at the non-profit day care system at the moment and in the public school system and the secondary school system you can see a progression of detachment of parents from decision making as you go up the system. In other words, parents are more involved with their individual day care than they are with their public school, and certainly than they are with their secondary school, if you look at any of the studies in terms of parental involvement there. Part of the problem is the heavily structuralized system of education that we have developed, and the amazing amount of power that we have placed into the hands of the professions: the teachers and specifically principals in terms of decision-making. They are authoritarian models in my view in many ways, as compared with what we have at the day care level. One of the things I am concerned about is if you move very strongly into education taking the lead in delivering the more universally accessible system of day care, that in fact we

may lose some of the parental control which I think is absolutely vital in terms of the structure of day care. And I wonder if you have any comments on that.

Ms. Jazvac: Lots. Respectfully, I feel that more and more parents would have, there would be more community involvement with the secondary school than there is now.

Yes, you are right. Parents are really heavily involved with day care. They are medium involved in elementary school. But part of the reason that parents are not as involved at the secondary level is their own feelings about sort of the way the world used to be in terms of authoritarianism. It is moving much more to a democratic way. We certainly encourage parents to become involved.

I think if there were day cares in the school, perhaps a personal example: Upon opening the pre-school in one secondary school in Hamilton, we had 300 calls of community parents who wanted to have their little people in our particular play school; we had room for 20. That was interesting. It was like, take a number at a market. Even though there was a parent co-operative nursery school about 20 feet away, really, and they were in full support of the beginning of a play school because they were over-crowded. Parents are coming in, they are assisting, they are saying, can I volunteer in another Family Studies class. I think it would have the reverse effect. I think it would make the school much more community kind of base. I really, really believe that.

Mr. Johnston: I would presume it would humanize it more and I supported the kind of notions you talked about, but maybe you can comment about how do you deal with the very heavy authoritarian structures that are there right now in terms of curriculum development or in terms of everything from school closings to whatever.

The participation of the public in the secondary level is very minimal, and so this would be a counter-pressure, I agree, but what else can you do to guarantee that parental involvement will stay high if we move in that direction?

Ms. Head: Could I just mention the fact that what it is actually happening in Scarborough then in that regard, and that is that almost all of the day care centres that exist in the schools are run on a non-profit basis with a parent committee and, in fact, they are entirely separate from the school decision-making process except that it is expected that there will be a certain liaison between the two so that they will in fact form a good bridge between the programming from there right into the junior kindergartens and such. So that the opportunities there for senior students to have parenting involvement and provide

assistance and a lot of extra bodies within the operating of the day care to enrich the programmes that the kids can get, but the actual running of the day care is, first, in the day-to-day business has an early childhood education supervisor and staff as any day care would, and they are autonomous in that. But there is a parent support board that makes the official decisions. And it is only sort of at arm's length that this school is involved at all. It is not operating as a typical school programme, with school developing curriculums, providing staff, in fact, schools not providing much of anything other than the permission for it to take place.

Mr. Johnston: And you would support that kind of a model?

Ms. Jazvac: Oh, yes. That is the model all of us are using. Correct.

Mr. Johnston: The only danger in that, of course, and I will conclude on this, is that most of the day cares in Scarborough that I know that are operating in the school system are there because of declining enrolment and because they are not under the power of the trustees or part of a principal's notion of how a school is going to be run, the day that the declining enrolment changes, should that ever happen, they might become the most vulnerable section to go, if it is not structurally tied in, and that is the only --

Ms. Jazvac: Which is one of the reasons why we are here. The provincial government could assist the way it has in terms of equalizing -- we have provided funds that there be an affirmative action co-ordinator within each school board, and therefore facilitated that something important happen. You could also facilitate that something important happened in day care by facilitating funds for a day care co-ordinator that could be used by each school board. And a day care co-ordinator in the best sense of that should be an early childhood education specialist, and then we would get some real integrations between areas that really need it.

Mr. Chairman: I am sorry. You had a comment?

Ms. Head: I was just going to say, such a person has been provided this spring for one, I believe it is here, beginning term in Scarborough by the Ministry of Community and Social Services.

Mr. Chairman: Okay.

Mr. Johnston: Professionals, again. I worry about it.

Mr. Chairman: Mr. Reycraft?

Mr. Reyecraft: Thank you, Mr. Chairman. I wanted to make a comment as parliamentary assistant to Mr. Conway, perhaps, rather than a question.

In response to a comment which was made at the beginning of the presentation as a point of clarification. I am aware of the memorandum that has caused some confusion within the educational community. I believe it went out above the Deputy Minister's signature, but that is not particularly significant. And I understand that - it is, not him - that Mr. Conway is going to try to clarify the situation with a follow-up memorandum that may go out, will go out very soon if it has not already. But the point that was being made was that school boards in considering pupil spaces that should become vacant, classrooms which should become vacant, should place the needs of school-aged children ahead of those of other people in the community. Boards of education under the Education Act are mandated to provide for the needs of young people between 6 and 21.

Ms. Head: Yes.

Mr. Reyecraft: And they do not have a mandate. There is a provision for them to elect to provide for adults and for pre-school children, but that is not within their mandated responsibility. And what Mr. Conway was simply indicating was that they should consider the needs of school-aged young people ahead of those who are outside of that spectrum in deciding how those vacant classrooms and vacant spaces should be used.

One question I have, Mr. Chairman, if I may --

Mr. Chairman: Well, Mr. Cordiano has indicated he wishes to --

Mr. Cordiano: No, that is fine.

Mr. Reyecraft: -- concerned the recommendation that parenting courses be made compulsory. You are, I am sure, aware of the fact that we have a request at the Ministry of Education from the Ontario Medical Association that phys.ed. and health courses be made mandatory in each year of young people's secondary education. There are other such requests before the Ministry.

I am going to Elderton, I think, tomorrow night to talk to some technical teachers who are very upset about the fact that there are sixteen mandatory courses already. They think that number is too high.

There is a problem there in which not everyone's desires can be accommodated, obviously, but in looking at the -- where do you think compulsory parenting courses should be? Grade nine, grade ten, grade eleven, grade

twelve, and I'll stop there. Where? First of all, where should they be in the curriculum?

Ms. Jazvac: Dr. Karal's research that looks at many cultures would say that the earlier the parenting education occurs the better.

Mr. Reycraft: Then should it be in the secondary school curriculum or would it be more appropriate in the elementary curriculum?

Ms. Jazvac: I think it needs to be in both. It is not something like studying an egg that at one particular point in time you are absolutely perfect for the study of an egg, you do not ever need to discuss it again, like, you do not need to talk about nurturing and family relationships and parenting ever again.

I think that there are several times that would be useful: young; grade seven, eight; senior. I think if you hit those three areas then it would make a difference in terms of changing the cycles of family stress and child abuse and expectations because a lot of the child abuse and violence are based on what we might expect that is appropriate for a two year-old. So instead of striking the child because their diapers are wet; again, at two to understand that the child is a male and that expectation is not really realistic at that point in time and so on. Those things can be taught. Redirecting behaviour can be taught, but not just once; it is not a one-shot thing and then you don't come back to it again, like a binomial theorem.

Mr. Chairman: Mr. Reycraft, is that...? Mr. Cordiano.

Mr. Cordiano: Very briefly, Mr. Chairman. I would like to know where you stand in terms of the support you have for the model that is now established in use of boards of education facilities in having non-profit sectors established there, and working somewhat separately, as you mentioned earlier, separate from the educational system, and, as a result, we have touched on this theme a number of times in this Committee, maintaining the importance of parent involvement. That should be a priority.

The Chairman: This other problem that you have pointed out, and that is with kids that have to -- well, obviously, the hours of the school might be 9:00 to 4:00 or 9:00 to 4:30 or hours that may not be compatible with parents' needs.

Ms. Jazvac: Yes.

Mr. Cordiano: Do you find that that is a real problem when these facilities are used in terms of the

school facilities, or can the centres be operating for longer periods of time?

Ms. Jazvac: Of course, they can. My six year-old set off this morning because I had to come to Toronto at five to eight.

Mr. Cordiano: So there is no problem.

Ms. Jazvac: -- so they went to a day care programme which is in Hamilton. There are others. There is no problem with using the schools, other than the specified hours, and certainly on PD days and holidays as well.

Mr. Cordiano: I didn't quite understand what you meant in some of the recommendations that you were making here that there needed to be extended hours. This is why I am asking.

Ms. Jazvac: You mean before- and after-school day care?

Mr. Cordiano: Well, before- and after-school day care which is already -- it seems to mean the hours are extended.

Ms. Jazvac: That's not it. It is in four elementary schools in Hamilton. Four.

Mr. Cordiano: But that is particular to your area perhaps because --

Ms. Jazvac: We don't have enough before- and after-school day care centres, is what we are saying.

Mr. Cordiano: This is what I asked you earlier, if day care centres that are attached to educational facilities, are they open, say, at 8:00 o'clock and do they go on to 5:00 or 5:30 or is that a real problem with schools?

Ms. Jazvac: There are only a few of them.

Mr. Cordiano: I understand that, but in North York, for example, there are a number of new facilities opening and have opened over the last year or so, and that is not the issue. The issue I am trying to come to is if there is a problem there with the facilities, and there is not. There just seems to be a problem of accessibility and the number of spaces that are available. So it is not really a problem that you are suggesting needs to be looked at in terms of extended hours. But it might become a problem if we go the other route and make child care part the educational system or early child care education part of that entire system and more integrated as you have talked

earlier about that, and I would --

Ms. Jazvac: I did not ask that before- and after-school day care be integrated into the school system. I asked that before- and after-school day care be provided in an elementary school.

Mr. Cordiano: No, what I am saying is the facilities, the space, the use of the space, is the model that is set up now. But if the system somehow evolves whereby the educational system, sometime in the future it becomes part of our educational system --

Ms. Jazvac: Oh, you mean, are we going to be holding classes for little 18-month, year-olds and two year-olds and so on? No. No.

Mr. Cordiano: Okay.

Mr. Chairman: Thank you very much.

You have certainly brought to us, I think, something that has not really been addressed in that definitive way. It is provocative and very helpful, I think, in looking at some of the areas that have been addressed in a less comprehensive fashion. We really appreciate it.

Ms. Jazvac: Thank you.

Mr. Chairman: Thank you very much.

It is been suggested and I think it makes sense since we are running behind schedule that we hear the Ontario Coalition for Better Day Care at 1:30 and I understand that is acceptable to the group; is that correct?

Mr. Johnston: We lose one of the members, unfortunately.

Mr. Chairman: So we would -- yes, we would return at 1:30 rather than 2:00 o'clock, so we are going to deal with the next group, which is the Canadian Union of Public Employees, and perhaps Mr. O'Connor is here? And Jamie Kass?

Perhaps you could come forward and identify the people in your group. They have a little problem on that fourth chair. I do not know how well you will plug into -- perhaps the person who is going to be doing the presenting should be closest to the microphone. I apologize for the delay in getting you on, but the last delegation was very informative and was perhaps a bit beyond the parameters we were dealing with, but it was interesting to hear it. It may plug into our outcome.

Mr. O'Connor: Thank you very much.

I would just like to, at the outset, introduce our delegation. I am Terry O'Connor, the secretary-treasurer of the Ontario Division of CUPE. Next to me is Karen Stotsky, our research officer. Next to her is Jamie Kass who is a member of our Ontario Division executive board as well as a member of our National Day Care Committee and I would also mention that Jamie Kass is a day care worker. I understand yesterday you had a presentation from one of our day care locals. Well, Jamie also works in a day care centre and if you have that type of question, she would be prepared to answer those kinds of questions as well as others that might flow from the brief.

And next to Jamie is Irene Harris, a staff member who is our equal opportunities officer in Ontario.

What we would like to do is give a summary of our brief rather than to read it to you. You have got copies of our brief, so we would just like to summarize it and allow time for questions.

"The Ontario Division of the Canadian Union of Public Employees is pleased to have an opportunity to appear before the Select Committee on Health to express our serious concerns about the commercialization of child care. We are particularly alarmed over recent discussion to extend funding to for-profit centres in this Province.

"This is a critically important time to be discussing child care. Complex social and economic forces coupled with changing family needs over the past decades, have resulted in an unprecedented demand for non-parental child care. The Committee is no doubt familiar with the statistics on the rapid growth in labour force participation of women with young children and the increase in single parent families. These have been the major factors contributing to the increased demand. In addition, the decline in the once-reliable forms of support, such as the extended family and small closely-knit communities, has had a far-reaching impact.

"The Ontario government is keenly aware that there is an urgent and pressing need for affordable, accessible, quality day care. Both at the federal and provincial levels, the issue has repeatedly listed on the political agenda."

"Clearly, with the recognition by governments that the needs of families must be addressed, day care is at a critical juncture. Therefore, it is absolutely vital that careful consideration be given to the way the system is to be developed and expanded. The opportunity is at hand to begin a path of development which will result in a high

quality system of care for Ontario's children.

"As a key player in the current round of federal/provincial negotiations on day care, any initiatives taken by this Government will provide a clear signal to both the federal government and to other provinces as to the direction this Province deems acceptable. Many had hoped that the Ontario Government would take a leadership role in pressuring the federal government to move towards a Canada-wide system of non-profit care.

"Instead, it now appears as though the Provincial Government is at its own decision point with regard to policies in the provision of child care services. The decision ultimately made will be of great significance, since it will relate both to the best use of public funding in the immediate future, and to the long term evolution of a mature child care system. Recent announcements that the Government is now considering providing direct grants to commercial centres and supporting the extension of federal CAP funding to commercial child care are cause for alarm.

"We believe that providing new funding to for-profit child care centres would be a grave and serious error. In our view, public funds should not go to commercial child care operations.

"We did not arrive at this conclusion on the basis of narrow partisan or ideological reasons. Rather; our position is based on a sincere concern for a level of quality care which is best for children, parents and day care workers."

Ms. Harris: I would like to comment on the practical experience.

"There is now sufficient research evidence to support the inclusion of key factors which promote quality care. Critically important prerequisites for the provision high quality child care include: Limited group size; low child/adult ratios; good employee wages and working conditions; highly trained caregivers; parental and community input; good health, safety and nutritional conditions; and employee satisfaction and involvement.

"With regard to all of these factors, the practice as well as the lobbying trust of the profit-making child care sector towards lower standards and poorer regulations demonstrably shows that good child care and care-for-profit are basically incompatible. In 1974, private operators were involved in an attempt to weaken standards in this province. In 1982, the commercial day care centre organization in Ontario, the Association of Day Care Operators of Ontario, opposed the new provincial standards for reducing group size and child/staff ratios on the grounds that the new standards

would involve additional costs and there was no data to indicate that the existing standards did not provide 'safe, stimulating, quality care for children'.

"This chipping away of quality care legislation is not limited to the commercial sector in Ontario.

"It may be useful as well to draw lessons from the experiences other provinces. In 1980, Alberta initiated operating fund for for commercial centres. This new funding has increased the number of licensed spaces, but at great cost. The market is large, the demand is high, and there is no competition. As a result, the commercial sector has expanded aggressively so that the Alberta child care sector is now heavily dominated by commercial services. Both the quality of those services and public accountability are low.

"Alberta has generous funding and more spaces for child care than any other province. Operating grants are available to all types of day care, both profit and non-profit. This is in contrast to the remainder of the provinces which, when they do provide operating subsidies, restrict them to non-profit centres. However, the quality of day care in Alberta is often questionable even according to the federal government's Day Care Information Office. This has been attributed in part to the private enterprise involvement in day care and the lack of accountability for how government funds are spent.

"The Manitoba Government has opposed government funding to the commercial sector for a number of reasons. In its brief to the Parliamentary Special Committee on Child Care, the Government of Manitoba noted that "licensing officials from several provinces informally compare experiences in licensing non-profit and commercial centres and consistently report more violations on the part of commercial centres. The commercial operators are, according to this anecdotal evidence, more inclined to cut corners to meet the barest minimum of the legislated standards, and to attempt to circumvent the standards when inspections are unlikely to detect the breaches. For example, such practices as rotating staff from one room to another to maintain ratios during inspection visits, and not hiring substitutes to maintain the child/staff ratio when regular staff are absent have been reported repeatedly in Manitoba commercial day care centres." -- "This evidence, coupled with a description of the low commitment to quality care by commercial day care centres that province, led the Manitoba Government to conclude that "As in other health, education, and social service fields, profit-making has no place in the future of Canadian child care."

Ms. Kass: Now, we would like to take a look at some of our own practices that have been borne out through our own experience in representing a lot of day care workers

through CUPE as a union.

"Cutbacks in profit centres are often made in already strained budget allocations for programme supplies. Workers in these centres have told us of the need to bring their own toys and materials from home to supplement the equipment necessary in providing activities for the children. Cooks in these centres have complained of the inadequate food supplies so essential to meeting the children's nutritional requirements and fostering physical development. Child/staff ratios are often abused and operators cut costs by refusing to hire substitute staff to replace regular staff on vacation and sick leave. It is extremely difficult to document these abuses as day care workers live with the real threat of losing their jobs.

"Providing quality child care is labour intensive. Any profit to be made on child care has to be made on the backs of the staff or on essentials like food and equipment.

"A national survey conducted in 1984 for the Cooke Task Force clearly documented that day care workers earn abysmally low wages." An average salary would be about \$14,000 a year. "Day care workers in Ontario earn only 66 percent of the average weekly industrial earnings.

"Despite these already low wages, day care workers in the for-profit programmes earn about 30 percent less than those that work in the non-profit programmes and 50 percent less than staff in publicly-operated programmes." And often they have less vacation time and they often receive many fewer benefits.

"It is of note that private day care operators maintain that direct grants from government would allow them to increase the wages of workers. But these organizations have always had the option of paying their staff more. Instead, they have chosen to make a larger profit. We fail to understand why that choice should be rewarded with the taxpayers' money."

If we look at the studies: "Evidence available to date both in Canada and in the United States indicates that the overall quality of for-profit child care is poorer than care delivered under non-profit and public sponsorship."

Recent Canadian research commissioned by the Parliamentary Special Committee on Child Care examined the link between auspice in child care programmes and their quality and found that significant differences in quality exist between government and non-profit programmes on one hand and for-profit programmes on the other.

"Previous studies conducted have also found indicators of quality to be poorer in for-profit settings."

Things like high staff turnover is a major criteria for solid, good child care and that is found to be much higher in profit centres.

"Other important quality elements lacking in for-profit centres are opportunities for parental input and accountability to a responsible body."

Parental involvement through a board can ensure that the programme reflects the priorities of the parents, strives for continuity of parental and cultural values and sustains quality care. Decisions are made by a group of people who have access to financial and programme records and for whom there is no personal financial gain. This continuous monitoring of quality, and the responsiveness to the needs of the parents and community is not generally possible through a for-profit operation."

Ms. Stotsky: In conclusion, we would like to say that, in our view, providing new public funding to commercial centres would be fiscally irresponsible.

"If, as both the research and practical experience appear to indicate, for-profit status is a disincentive to providing good quality child care, then spending public dollars on that type of care is a poor use of public funds. In so doing, the government would be rewarding that sector with a track record of providing lower quality and of paying the lowest salaries. As well, providing such funding would be delivering over a new service sector to commercialization and privatization in this province. This will place our children in the position of being the vulnerable recipients of a service in a sector where there is lower quality and no financial responsibility.

"The nursing home experience in this province could provide a useful parallel." -- "Lack of accountability to service users and to government is pronounced in the nursing homes industry, where there are limited alternatives to nursing home care and a consistently high demand for beds.

"Those who advocate the advancement of commercial operations in child care frequently contend that the rights of parents to choose a full range of service options requires that commercial care be one of those options. However, the reality is that the choice parents are seeking is not between poorer and better quality care." -- "The answer to the problem is not to fund the commercial sector but to make a strong effort to actively develop non-profit care.

"This is not the view of an isolated minority. A recent analysis of the public hearings held last spring by the Special Committee on Child Care revealed that those who

addressed the issue of funding by auspice overwhelmingly 77 percent opposed public support of for-profit programmes." And this high rate of opinion is corroborated by a study that CUPE co-sponsored last summer, and I think the return rate was again close to 70 percent on public support of funding: For non-profit and opposed to funding for for-profit care.

"Further, in its Report tabled in 1986, the (Cooke) Task Force on Child Care concluded that for-profit services should not be advanced in its proposals." Proposed funding, therefore, was limited to centres operated by government or non-profit agencies.

"This country is now at a watershed in the development of the public policy for child care. Decisions taken today will affect children and families for decades into the future. Due to the rapid socioeconomic changes which have taken place in our society, comprehensive child care services will likely affect most families with children. We believe that public funding for commercial care does not have a place in this vision.

"We trust that the Government of Ontario will not take the wrong turn, but instead will provide the impetus in pushing this country forward towards a comprehensive system of quality, non-profit care which will meet the needs of Canadian parents and children.

"In this brief we have outlined our profound concerns about extending public funding to commercial day care centres. Therefore, we recommend: One, that the Government of Ontario give direct grants only to day care centres that are operated on a non-profit basis; that no new purchase of service agreements be made with commercial operators; that major initiatives be taken to assist in the development of a comprehensive system of non-profit care in this province; and that the government provide assistance over a transitional period for those commercial operators who wish to become non-profit."

Thank you for this opportunity to address you on an issue we find of extreme importance.

Mr. Chairman: We have some questions. Mr. Johnston first? Mr. Cordiano?

Mr. Johnston: Mr. Chairman, I notice you skipped over a wonderful reference that has come out recently to comparing the amount of money that zoo workers get compared with --

Ms. Stotsky: Would you like to read it out for the record?

Mr. Johnston: It is at the bottom, in case any of you missed it as you were reading along. "In fact, employees looking after animals in government farms earn about 35 percent more than day care workers", which I think is terribly noteworthy in terms of equal pay for work of equal value. There is an interesting concept there, if you want to look at day care in its more primitive forms.

I wonder if you could tell me how many for-profit day care centres, how many of them are represented by CUPE, the workers represented by CUPE? We learned yesterday there are some just in Ottawa.

Ms. Kass: I do not know the figures but I would say the majority are probably non-profit because we have had a very difficult experience even trying to organize in the profit sector both in Toronto and in Ottawa where most of the organizing happened.

Often we will go in and try to organize the profit sector and owners often will close down and we will be in the position of having to open up new child care centres as non-profits with parent boards. So there are some, but the majority are non-profit.

Mr. Johnston: Just to anticipate Mr. Cordiano's question about his grave concern for the disappearance - that is a short read, by the way - the disappearance, this is all imminent now, of the for-profit organizations if we do not give them these grants.

Why aren't you worried about, as a union, losing the representation of these for-profit agencies that you represent workers in which are bound to disappear the moment after we decide not to give direct grants to the commercials?

Mr. Cordiano: No, that is not what I have said, Mr. Johnston. I do not mind you assuming what I said; do not say that is what the facts are. Quote me properly and I won't mind. Quote me properly and I won't mind.

Mr. Chairman: You will get an opportunity to question the -- we would not want to have a political debate --

Ms. Stotsky: I think the record will show from other people who have appeared before you that the extension of operating grants to non-profit care in provinces where that has been the experience has not meant the disappearance of the commercial sector in those provinces, and you can look to both Manitoba and Quebec if you want some hands-on information about how that has happened, so...

Mr. Cordiano: He has got it wrong. I did not say

that. I said quality would deteriorate and quality is already a problem so how do we address that and how do we address the salaries of the people that are working in those places.

Mr. Chairman: Well, this is a supplementary. Oh, all right, if it is a supplementary. I am not sure Mr. Johnston has finished yet.

Mr. Johnston: Of course, he has raised the question of quality and how do we maintain quality in these centres. And it is of concern to me and I wonder why we are not able to do it now while we have equal status at this point with the present non-profit sector. I do not know how he deals with that answer. And he will probably tell you in a second or two, as he feels forced to jump in at the end of my questions, but it is something he has been concerned about. And I will quote the Hansard if he needs to be reminded.

But what are we going to do when these places close? That is interesting. Perhaps we should look at Manitoba and Quebec and see just how many commercial centres closed because of that and get a list, because if it is as dramatic as Mr. Cordiano has made us believe, then CUPE should be definitely worried about what is going to happen to all the workers they represent.

Ms. Stotsky: Well, quite frankly, if you put your initiatives into developing the non-profit sector I do not think CUPE workers would have any problems with switching over, those who are now working in commercial day care.

Mr. Cordiano: So you have a turnover of staff from one sector to another.

Ms. Stotsky: Well, hopefully what you have is a proliferation of non-profit centres.

Mr. Cordiano: Fine, but what happens to the existing species and the people that work there and the quality in those places? The quality of care in those centres?

Ms. Kass: What has happened already is that there is already a crisis in those centres, many of those centres.

Mr. Cordiano: That is right, but it is only going to be aggravated.

Ms. Kass: In one instance we organized it has been one hundred percent turnover. The turnover is happening because they cannot afford to work for \$12,000 a year.

Mr. Cordiano: Exactly.

Ms. Kass: So by giving them direct funding we also have many examples where that money is not going to the staff.

Mr. Cordiano: You are looking at the Alberta situation.

Ms. Kass: No, I am talking about the Ottawa situation and no that money does not in fact go to the staff.

Mr. Cordiano: What money -- I do not understand.

Ms. Stotsky: We had a woman from CUPE who appeared before the Special Committee on Child Care last year and she worked in a commercial centre and she made the statement that she had been working at this centre for nine months and at nine months she had the most seniority of any person in that centre. And that is a good reflection of the turnover rate in in commercial care.

Mr. Cordiano: Sure. But that's the problem. How do we overcome that problem? What is going to be the solution? Do we abandon those centres and the people that use the centres? My friend opposite does not seem to care that much about what happens to the quality of care.

Mr. Chairman: Let's not stimulate, Mr. Cordiano.

Ms. Kass: First of all, there is always the option for those centres to become non-profit, and basically there is an incredible need out there so where the profit sector cannot fill it, the non-profit given the proper funding from the provincial government and federal government will come in and fill it. That is not a problem. Most parents will have care. The staff removing --

Mr. Cordiano: What do we do in the interim, in the next three to five years, what do we do? How do we -- I mean, you know, it is fine and good to say we are going to have the establishment of non-profit centres, a proliferation of that, and we are going to have incentives do that, but is it going to happen as quickly as we require it to happen? That is the concern that we have. I mean, it is not going to happen as quickly as the demand for it. We have an over-demand for it now, not enough of a supply.

Ms. Stotsky: What you seem to be asking, how do you fix something that you know is already broken, before it can be replaced. And it seems to me that the only answer to that in the absence of speeding up a system of providing impetus for the development of non-profit care is to impose some sort of system of increased accountability and quite frankly that is going to cost a lot of money and I am not sure again that that is a good expenditure of public dollars

that could go for the development at the same time as the initiation of a different kind of system.

Mr. Cordiano: But we heard yesterday from a group, and I will relinquish the floor, if you don't mind, Mr. Johnston, right after this point --

Mr. Chairman: Mr. Johnston has already relinquished the floor to you, Mr. Cordiano.

Mr. Cordiano: We heard from a group from North York yesterday, Direction 2000, the non-profit group that has been opening up centres through the educational facilities in North York. The problem seems to be in these large suburban areas that are surrounding Toronto. You have to have the creation or the coming together of the community before you can have people involved in non-profit centres and giving of their time to the extent that it is required for money profit centres to really flourish, and I do not think that that is going to happen as quickly as we would like to see it happen, and I think that is our concern, that you have such an explosion of the population around, in and around Toronto.

Mr. Johnston: -- commercial centres in there, are we?

Mr. Cordiano: That is not the idea. What we are saying is we are going to have impetus for the expansion of the non-profit centres, but if you are losing spaces where you are trying to create spaces, well, you are just falling behind the eight ball.

Mr. Johnston: Why would they lose it?

Mr. Cordiano: That is simple mathematics. I do not know what you guys are thinking.

Mr. Chairman: You will have all sorts of time to --

Mr. Cordiano: -- less than adequate --

Mr. Chairman: -- address to the delegation that is before us.

Mr. O'Connor: Well, Mr. Chairman, I think the answer to that is on page 12 of our brief, we statement specifically the answer to the problem is not to fund the commercial sector but to make a strong effort to actively develop the non-profit care. It won't just happen. It is going to require the will to do it on the part of the government, and we are asking them to do that. We are saying that commercialization, further commercialization, is not having the will to develop the non-profit sector.

Mr. Cordiano: Let me just state clearly that the government's intention is not to expanding the commercial sector. That is not what we are talking about. I think the Minister has made that clear in the last little while, but I think what we are saying is that while we have the existence of these spaces we have to maintain a certain level of adequate quality, and I think you would not want to see the children of those facilities sacrificed until we have other facilities in the non-profit sector. And until we get to that point, what do we do? And this is what we are saying. So I think that is the key issue here that is involved.

We are not saying they are going out of business -- you do not seem to -- No, Mr. Johnston, you don't seem to be concerned about the quality that exists in those centres at the present time -- commenting on that. What is going to happen to the quality?

Mr. Chairman: -- you will have an opportunity to do that. I would like the questions to be finished for this delegation and if all members are -- Dr. Henderson?

Mr. Cordiano: -- well documented that quality in commercial sectors is not as it is in non-profit sectors. The kind of quality does not measure up.

Ms. Kass: If you look at Recommendation Four: That the government provide assistance over a transitional period for those commercial operators who wish to become non-profit. I think something can be done around that recommendation. I think when you are talking about -- you might be talking about, as a government, developing the non-profit sector, but, at the same time, you are talking about a direct grant, increasing that money, and giving it to the commercial sector. And if you do that --

Mr. Cordiano: For what, though?

Ms. Kass: -- what would happen is that whether it is for development or on-going grants the commercial sector will flourish. It will happen. We have had experiences in Ottawa; we know that their funding base, they can develop the day cares more quickly than the non-profit and if direct grants and direct funding is available to them, they...will...flourish. And that's the larger commercial centres. They will come on line.

Mr. Cordiano: It is contemplated that the direct grants, if the government moves in that direction, would be to existing facilities, and we are not -- the idea is not to expand the commercial sector to any extent.

Ms. Kass: That still brings up the issue, however, of the most effective use of scarce public dollars. And

that money that is going into the commercial sector, even --

Mr. Cordiano: Is it more effective?

Mr. Johnston: That is what she said a minute ago.

Mr. Cordiano: -- did not say we are going to lose those limited spaces. I said --

Mr. Chairman: Mr. Cordiano.

Mr. Cordiano: Well, there is going to be the loss of some spaces.

Mr. Chairman: -- address the delegation --

Mr. Cordiano: -- the degree to which we are talking, how many spaces --

Mr. Chairman: Mr. Cordiano, you will get an opportunity to debate that, but at the moment --

Mr. Cordiano: This is the most excitement we have had in some time -- stimulating conversation.

Mr. Chairman: Let's deal with the delegation before us.

Ms. Stotsky: I would just like to make a further comment and that is to put this all into context and put a perspective on this, and those of us who have been involved in day care for quite some time see what is happening today as a very, very critical juncture in the development of day care.

For the first time in many years the issue is a very high priority issue on the political agenda. We are finally beginning to talk about increased dollars to day care, both on the provincial level and on the federal level. And make no joke about it; Ontario is a key player.

What happens in Ontario is going to have a great deal of influence in terms of the development of day care in other provinces across this country and will provide a very clear signal to the federal government in terms of what is deemed acceptable. I do not think that should be underestimated so what is happening here is symbolic not only in the terms of the short term but also in terms of the long term repercussions, and the ultimate view of what we are going to see in terms of a mature day care system in ten or fifteen years. So we are not just looking at something in terms of what is happening to commercial centres over the next two years; we are talking about day care for the next couple of decades.

Mr. Chairman: Sir?

Mr. Cordiano: I don't think we can look at --

Mr. Chairman: Mr. Cordiano, we have one brief question from Dr. Henderson and I think out of fairness...

Mr. Cordiano: I was not aware.

Dr. Henderson: Thank you, Mr. Chairman. I almost feel I have to apologize for interrupting your debate with a question or two, but I do have one or two short questions.

As I understand what you have put forward, the argument is that direct grants will, in effect, be used to increase the profits of those who are in a position to profit but not to increase the salaries or to improve the standards and so on, which I am not at the moment in a position to argue with.

If one were to accept the thesis that the non-profit route is the route to go and that there ought not to be grants of public fund to the sector, then that would still seem to me to be the question of what about the standards in the, quote, for-profit facilities that remain? And I just wanted to raise that question.

I suppose one kind of answer would be, well, the tougher standard or mainly legislation dealing with salaries of people who are working in the for-profit sector, the ratios of staff to youngsters, the standards of care and so on; what comment do you have on that? Is that a reasonable thing to expect?

Ms. Kass: Well, yes. I think we do need better standards. We have minimum standards. Many of the non-profit sector will try to improve on those standards. Unfortunately, many of the profit centres try to decrease to the minimum standards.

I guess the other thing you have to look at is the whole way we do licensing and the provincial consultant's role, and the home monitoring -- way that we approach monitoring in this province. And it is not being done or there are not the people available nor probably the money in the system available to really have adequate monitoring, as probably is the case in nursing homes, too. So that even where you do have these standards, they are not being enforced.

Dr. Henderson: Is there hard data to show that what is happening in the for-profit sector is the enrichment of those who are able to profit at the expense of staff, or are we making the assumption -- the other way it could be, for example, that the staff do badly but also the entrepreneurs

do badly, but I gather the argument is that is not what happens. The entrepreneurs do well and the staff do badly, and the children do badly. Are there hard data?

Ms. Stotsky: Well, I have a couple of things to say about that. There has been a quite recent report that has been commissioned by the parliamentary task force by SPR Associates that did a survey based on 27 quality indicators, and based on those 27 quality indicators, many of which included these quality indicators that we talked about earlier, about child/staff ratios, nutritional requirements, licensing, et cetera.

Dr. Henderson: I am talking about the enrichment argument that one hears so often. Do we know from hard data that big, big profits, unreasonable profits are being made?

Ms. Stotsky: Well, that is hard to say, and that is just the point, because the books of the private operators are closed to public scrutiny. We have no idea what the extent of their profits are. What we do know -- excuse me, what we do know is that when you have a profit operation, the statistics show -- and that is empirical data; it is a survey that was done in 1984 -- that the fees, generally speaking, for profit centres are equivalent but the staff salaries are 30 percent less, so where is that difference going?

Dr. Henderson: Into profitability.

Ms. Stotsky: Well, that is an assumption I think that is obvious to me.

Mr. Cordiano: Well, sure, if there is a purchase of service agreement --

Ms. Stotsky: I think that you had the day care operators before you and the suggestion was made, would they open their books to the public, and they quite took offence at that suggestion. They said it would be akin to having an individual post their income tax return on a telephone post outside their house.

Dr. Henderson: Well, corporations have to do it. If you are running a company, you have got to have audited statements.

Mr. Cordiano: With the purchase of service agreement, there is a stipulation --

Mr. Chairman: This is the final supplementary, Mr. Cordiano.

Mr. Cordiano: Thank you, Mr. Chairman. There is that part of the purchase of service agreement by the

municipality that is purchasing services from a profit centre; it has still got to open up its books to the municipality and there is a 10 percent profit margin there, I suppose.

Ms. Stotsky: Well, 10 percent profit margin.

Ms. Kass: So you will know where the profit is, then.

Mr. Johnston: I think we will be coming back to it. We are going to be having somebody coming back to us and they will talk to us a bit about this, as to how the budgets work for the, well, the ones with purchase of service, because one of the things he said which I never knew was that the mortgage is a line item in a budget, and then on top of working out your budget you can take -- that includes the mortgage, and that creates a whole other kettle of fish, but I have not seen that and it would be interesting to get that kind of deputation tomorrow.

Mr. Chairman: Today.

Mr. Johnston: Today.

Mr. Chairman: Today.

Mr. Johnston: She is back there. We hardly have to wait at all.

Ms. Kass: Certainly, in Ottawa the purchase of service agreements do include the mortgage, mortgage costs, so, in fact, somebody would --

Mr. Johnston: Well, we will hear that this afternoon.

Mr. Chairman: I want to thank you very much for coming forward. Sorry to have kept you delayed, but it was interesting and seemed to provoke a lively debate here. Thank you again.

Mr. O'Connor: We would like to thank you for your interest and attention, and just to in summary say that we have tried to highlight our concerns, which we feel that you share also our concern for quality in child care that would meet the needs of the parents and the children, and finally, the key thesis of our presentation is that public funds should not go to commercial child care operators. Thank you very much.

Mr. Chairman: Thank you very much, Mr. O'Connor. Adjourned until 1:30 everybody.

The Committee adjourned at 12:15 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

WEDNESDAY, APRIL 8, 1987

Afternoon Sitting

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Andrewes, P. W. (Lincoln PC)
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Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson
Sheppard, H. N. (Northumberland PC) for Mr. Baetz

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

From the Ministry of Health:

Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

From the Ontario Coalition for Better Daycare:

Colley, S., Executive Co-ordinator
Russell, L., President
Griffin, J., Executive Vice-President, Ontario Federation of Labour
Lalonde, P., Executive Assistant, Ontario Teachers' Federation

From the National Action Committee on the Status of Women:

Cameron, B., Chairperson, Social Services Committee

Individual Presentation:

Beach, J., Planner, Human Services Section, City Planning and Development
Department, City of Toronto

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Wednesday, April 8, 1987

The Committee met at 1:35 p.m. in room 2.

CONSIDERATION OF CHILD CARE

Mr. Chairman: Recognize members from all parties, and Ms. Colley and anyone else who is going to be involved in this presentation, if you would like to come forward and have a seat.

Okay. Susan if you would like to introduce the presenters and identify yourselves for...

Ms. Colley: We are still waiting for one, actually. Yes, on my far right is Pierre Lalonde from the Ontario Teachers' Federation.

Mr. Chairman: Excuse me a second. I just want to see-- can you pick that up?

Move in just a little closer so that we can pick you up on the mike.

Ms. Colley: Okay. On my far right is Pierre Lalonde from the Ontario Teachers' Federation, Julie Griffin who is the Executive Vice-President of the Ontario Federation of Labour, Lesley Russell who is the President of the Ontario Coalition for Better Day Care and Co-Ordinator of the Ontario Coalition for Better Day Care.

Mr. Chairman: All right.

Ms. Russell: We must advise you initially that we will be presenting a more complete written statement after our meeting. We were unable to prepare a brief and have it approved by our organization prior to the hearing, so we are really looking to make a verbal presentation today and then give you something in writing probably within the week, I would think.

Mr. Chairman: That is fine.

Ms. Russell: The Ontario Coalition for Better Day Care has been on record since its inception as being in favour of the development of the non-profit child care system both in Ontario and across the country and it is really in relationship to our commitment to that sort of system that we have come here today.

Perhaps what I might do initially is just ask Julie

and Pierre whether they have any open sort of remarks and then perhaps we can get into the meat of it from there.

Ms. Griffin: Well, I wish that Dr. Henderson was here because I wanted to speak to the question that he raised with the previous contingency about whether or not in fact private for-profit owners were really making money out of their operation. And where we are looking to and where most of the press clippings have come from has been Alberta where one of the headlines is that: "Day Care Can Set Cash Registers Ringing", and a quote by the person-- the man who heads up the kinder care operation in the Province of Alberta where he says: "If you want to make a lot of money go into real estate, if you want to make just a little less go into day care", and he has had one recent offer in excess of \$10,000,000 to buy out his day care investment which says something about the level of profit that is coming out of that kind of an operation.

Mr. Chairman: I can tell you that we had an item filed with us, I think it was from Fortune Magazine, was it, dealing with kinder care and the stock market.

Ms. Griffin: I am sure. And the other point I want to make around that, is again when I look at the press clippings from Calgary, and we will make them available to you if you do not already have them, where there is a lot of complaints about what is going on in these for-profit homes and I would suggest to this committee that if you take out the word "toddler" and substitute "elderly" and take out the words "day care centre" and substitute "nursing home" you have an exact analogy of what is going on in the Province of Ontario with the private nursing home sector.

And that you should be very aware of that and that we do not get into that kind of a situation in the provision of child care services. I think it is a shocking condemnation-- the labour movement believes it is a shocking condemnation of the kind of values that are placed on both our past and our future; our elderly and our young, and we would suggest to this committee that you have a really good opportunity to see that the kind of shameful treatment of our elderly that is going on in this province does not extend to our young people, to our future, to the children.

And so those are the points that I want to make initially.

Mr. Chairman: Any other opening comments?

Mr. Lalonde: Well, simply to say that as a representative of the Ontario Teachers' Federation, the Federation is a member of the Ontario Coalition for Better Day Care because it supports the views and objectives in the Federation in terms of the philosophy of day care which we

would like to see a system which is universally accessible which is of high quality and which is comprehensive.

Also, possibly more on a personal point than a Federation position or a philosophy, I honestly believe, as a school teacher, that a good system of quality day care will benefit the education system as a whole whereby the children, instead of trying to remediate problems of children that come into the system starting at the kindergarten or grade one level, a good system day of care would act as a prevention for a lot of these problems.

Ms. Russell: I think that, from my perspective probably, also somewhat coloured by my personal experience, I have been involved in a rather nauseatingly intimate way with child care budgets for a long, long time and I am convinced that the profit line-- the only way a profit line can be made to exist is by sacrificing other really critical components of the program and that we cannot afford to make those sort of sacrifices when we are looking at young children and their families and that, in fact, if that line is taken-- if that profit is taken out of what is already a fairly strained situation, then we are not making good use of public funds and we are not serving children well and they are not in a position to be able to object to that sort of thing happening to them.

So it really falls on us to make the decisions. It is not to say that by designating a centre non-profit that you, therefore, guarantee that it will wonderful nor if it is designated commercial that it is guaranteed that it will dreadful. I mean, in the scheme of things and when we are talking about public funding, and certainly the coalition is very much in favour of increased public funding and we sense that we are in sort of watershed mark at the moment in the development of child care, that it must go in a direction where there is accountability, where all of the public funds that are designated to child care go into services and not to profits.

And I keep having this sort of visualize sense that in a way, if we look at the fact that there are sharks out there in the water and if we have an infusion of public funds into the system, it is like dumping a bucket of blood into the ocean and we are going to attract the sharks. And I think that it is really important that we close off those avenues, that we recognize that the care of the children, the working conditions of staff and so on are the things that need to be paramount and that private profits are best made in other enterprises rather than the human services and most specifically the care of young children.

Ms. Colley: I know that you have heard from many deputants regarding their concerns about commercial and for-profit child care and one of the things that the Ontario

Coalition would like to do today is to run through with you some working positions essentially, some suggestions, about how we might get from this present situation of a mixed system of commercial and non-profit day care to a non-profit system.

I think this is-- I mean, I recognize that this is consistent with both the pronouncements of Mr. Peterson and Mr. Sweeney. They both said on a number of occasions that, yes, they want a non-profit day care system in the future.

We are very disturbed about the fact that we have not heard any submissions on their part as to how that is going to happen and so today we thought we would run through with you some meaningful suggestions about how we might get there.

First of all we are, of course, going to need an expansion of the capital funding program. This would involve major capital and we are suggesting here that we must have some funds made available for new construction as we did in the early 70s and \$10,000,000 per annum is a suggestion that we make.

Minor capital: Right now there is a minor capital program but it is very small and it really does not-- it is not enough to enable non-profit parent groups to be able to establish day care centres. We are suggesting that up to \$1,000 per child space be immediately available for non-profit day care centres to start up.

And then, thirdly, there is the other category of capital funding which is known within the Ministry any way as start-up funds which essentially provides for staff salaries during the early process of the day care developing.

Secondly, we will need a much more active development program. As you are probably aware, right now the Ministry of Community and Social Services does have consultants that go out and give advice to day care programs about setting up day care, but what they are not involved in is actually helping groups in the very initial stages to be able to conceptualize what a day care centre would be like and to do so of the early planning, need surveys and those kinds of things.

We think that it is really important for the provincial government to start a fund and even a unit within their own Ministry to begin to do some of that kind of work.

Also under that category I think is inter-ministerial development. There are many ministries that are developing either new buildings or renovating space or re-organizing and there has not been any discussion so far about how day

care might be integrated into other ministerial projects.

So that, for instance, in York Region where there is huge development-- residential development and consequently schools are being built, there is no discussion between the Ministry of Education and the Ministry of Community and Social Services, that we know of, about how we might build not only schools but also day cares into those schools when they are built.

Similarly we can go on with the Ministry of Health, obviously the Ministry of Housing and the Ministry of Colleges and Universities.

We think also that there has to be more emphasis on municipal development, that in the early 70s most of our day care or many of our new day care centres around the province were established as a result of a government capital program and these funds were taken up by municipalities and they have some of the best day care centres in the province.

We would like to see more of this happen and we would also like to see municipalities encouraged to get rid of some of the restrictive zoning by-laws that exist in municipalities and, in fact, give incentives to developers to put day care space in new buildings, in new developments.

Thirdly, of course, another very important component of actual development is training. We do not have enough trained staff. We need to have more trained staff and we are, therefore, suggesting that you look at the possibilities for expanding training programs.

Number four is strengthening of existing non-profit child care programs and this is essentially a reiteration of our position as it has been communicated to the Ministry on many occasions. First, we really do believe that there should be a moratorium on the issuance of new purchase of service agreements to commercial child care programs.

Secondly, we of course support the introduction of the direct grant or direct operating funds as it is known and we think that immediately that this must be in the amount of 30 per cent of the actual costs, that to do anything less is not going to deal with any of the problems that exist.

Thirdly, we need to continue to expand subsidized spaces. Fourthly, we need to encourage non-profit day care centres to become approved corporations and access provincial funding directly where municipalities do provide obstacles. You may have heard that in some municipalities day care development does not happen because the municipalities are either unwilling or unable to put in the 20 per cent funding.

There has always been a program in the books of the Ministry of Community and Social Services that day care services may access provincial funding directly provided they can raise the 20 per cent and, sort of, you know, go around the municipal process. That has sort of been dropped in recent years and we think that that should be certainly revived in the immediate term anyway.

The other thing that we are concerned about is the fact that, obviously, if we are talking about converting to a non-profit system, many commercial operators may choose to convert to a non-profit day care program but really remain profit. And that is already happening to some degree, not to a huge degree, but it does exist.

We think those loopholes need to be closed and there needs to be much more scrutiny from the Ministry of Consumer and Corporate Relations, you know, in terms of the activities of those corporations.

But also, consistent were our belief that there should be parental involvement in day care programs, we think that Ontario should make a provision as they do in Saskatchewan that at least 50 per cent of parents should be on day care boards.

Now, we get to the points about converting existing commercial child care programs to non-profit programs. We would like to see the province take a pro-active role in this process. We would like to see workshops provided on how to convert. I personally have been around the province and met with many commercial operators who have expressed to me a desire to be a non-profit corporation, but they do not know how to do it, number one and, number two, they get scared off by the huge legal fees that they are facing in order to make that transition.

We would suggest that the province sets up a program that both gives them some information on how to convert and also gives them assistance with their legal fees.

Finally, and I think this has been suggested to you by a number of deputants, we are suggesting that you should look at the issue of compensation for existing commercial operators. And on the first page when we alluded to the development of a capital program, we suggested that for day care centres that could find existing space that they could move into, that they should be able to get \$1,000 per child space in order to equip the centre, into order to set it up and do the necessary renovations.

I think, therefore, that it seems to be a very rational idea that if an existing commercial centre was unable or unwilling to convert to a non-profit program, then the compensation that could be paid by the provincial

government would be on the same basis that we would be providing to a non-profit group that was trying to set up a day care program at the rate of \$1,000 per child space. Otherwise, obviously, it would be cheaper for the non-profit groups to set up their own day care programs, you know, from scratch.

So these are some of the suggestions that we are making. We hope that you will take them seriously and we would be very interested in beginning a dialogue with the Ministry about how we are actually going to move from point A where we are now, which seems to involve a lot of conflict, to point B where we all agree we want to move to - well, not all of us do, but some of us do - which is to a non-profit day care system.

Mr. Chairman: Mr. Sheppard, do you have a question?

Mr. Sheppard: Mr. Chairman, to one of the group. It was mentioned that in other provinces in nursing homes and you want non-profit day care centres. I support the day care centres. What I want to ask is: We have private -- could do away with the private enterprise and then we have group homes. Now, I know I have got several group homes in my area where the government pays them so much for each body they have, the same as with nursing homes, and I have got to say that I have some nursing homes in my area and some group homes and I question whether the government should be paying both the group homes and some of the nursing homes the X numbers of dollars they do per patients, because I know in the group homes, he is like a bank, because I have had several complaints about the group homes that he is not looking after them, that he beats the odd boy up.

Could anything come out of this in regards to non-profit day care centres, if there was a group, could you see anything where if there was a group of directors where they could be making money to capitalize on something?

Ms. Griffin: Well, since I was ...

Mr. Chairman: Do you understand what is being asked?

Ms. Griffin: I think so. I am not entirely sure, I am not entirely sure, but I will try. I am not sure that anybody is sure about what he is asking except Mr. Sheppard.

I think he is trying to draw an analogy between group homes and nursing homes and non-profit child care centres. Since I have raised the issue of nursing homes, the point I was attempting to make is that in Ontario we have a very serious problem with entrepreneurs making money off of services to the elderly and that is a given. It has been a major scandal.

Mr. Sheppard: I was saying the same thing about group homes.

Ms. Griffin: About group homes, exactly, and what we are saying is whenever the profit motive comes in, in delivery of service, whether it is to the elderly or or our young or to those individuals who are unable to take care of themselves, such as in group homes, that there is a potential for abuses like you speak of.

There is a potential for less staff, less quality of service, all kinds of things come in. In order to maintain the profit level, it has to come from somewhere. It either comes from a cut back in service or a cut back in salaries. And that is the point I was making. I think we are saying the same things except...

Mr. Sheppard: Only in a different way.

Ms. Griffin: ... you say it a little differently than I did, but that is what I was saying. I think if you take the profit motive out of it then there is not this same initiative or there is not-- the same problems are not going to develop. Why would they?

Mr. Sheppard: Provided it was run by a Board of Directors.

Ms. Griffin: Well, what we promote in a non-profit centre is that the Board of Directors is either parent based or from the community or a combination of both, so if I am a parent who has my child in a centre, I am going to make sure that that-- and I have some say through the parents on the Board, then I am going to say that that centre is run properly.

Right now in the for-profit centres there is no accountability to the users of the service. What they say to you, if you do not like it, go somewhere else, okay, which is what happens in nursing homes when families...

Mr. Sheppard: The same as in group homes.

Ms. Griffin: ...complain about the service to residents in nursing homes, the owner says: If you do not like it go somewhere else. There is a lack of space, so what do you do, you know? In most cases you shut your mouth and put up with it and we are saying that would not happen in non-profit centres for child care.

Mr. Sheppard: I would like to see the government set up a select committee so that they could discuss group homes the same way as are discussing day care.

Mr. Johnston: We are. It exists. They are on our

list, it is next.

Ms. Griffin: You are next.

Mr. Leluk: That is before or after the election?

Mr. Johnston: I have not decided when I am calling it.

Mr. Leluk: We could be so lucky.

Mr. Sheppard: Let us know when you come to that decision.

Ms. Russell: I think the other thing maybe to just tack on to what you were talking about, is that within the commercial sector in children's programs there are a variety of motives that people operate a commercial sector centre for and those that Sue was referring to, many of whom have indicated - and I know that in Hamilton-Wentworth where I come from I have had the same sort of discussion with people, individuals who are early childhood education graduates who have decided that this is their life's work and they get involved in operating a child care program not so much because they see themselves as a Bronfman or an E.P. Taylor or whatever, but that they have a certain conviction about quality and standards and certain philosophy of education for young children that prompts them, rather than trying to make their way through the maze of trying to operate a non-profit program, to do it in a more simple way which is often the commercial sector route.

And many of those people I think would be very receptive to a conversion kind of thing because they have certainly indicated that and they do not make large profits. The problem is that there is also another layer of owners whose motivation might been more called into question and whose background is not early childhood education or child development, but who see it as a business. And I think we have to worry about development and existing programs under that sort of auspices.

My experience with child care budgets, which I referred to initially, is that there are lots of ways of cutting corners to make a buck. I mean, the system is grossly under-funded, but there are still profits being made from it and if we throw more money at it and there is no sense that that money is committed to child care and that there is parental input et cetera, then I think that we have not done a good service to the improving of quality of care or the development of service either.

Ms. Griffin: I just want to give you an example because the entire Federation of Labour who I represent has undertaken a major campaign on this issue and we were in

Ottawa on Monday where we heard that the owner of the largest for-profit centre was on an open line radio show and when she was asked why did she open a for-profit centre rather than going the non-profit route her answer was: Well, I did not know anything at all about child care and so the for-profit route seemed to be the easiest way to go.

Mr. Sheppard: Mr. Chairman, one other thing. I would like to ask Susan if she would elaborate on minor capital expenditure, \$1,000 per child space.

Ms. Colley: I am sorry, what...

Mr. Sheppard: I just want you to elaborate on it.

Ms. Colley: Well, right now the provincial government does have a minor capital program which makes minor capital available to day care centres which they will share the costs of up to 80 per cent of the total, up to a maximum of \$55,000. Now, the problem with that is that every day care centre, you know...

Mr. Sheppard: Is different.

Ms. Colley: ...essentially costs, I mean it costs what it costs to set up a day care centre. It is not like you can set up a day care centre if you are in a workplace for \$55,000 and in a school for \$4,000. The requirements are going to be the same.

The question of what you need depends on what space is like, what kinds of equipment is needed and what sort of start-up time you are going to need in order to get the thing rolling. So that what we are saying is you should essentially eliminate these categories, these prior two categories like work based day care where you get \$55,000 and you only get \$4,000 or \$5,000 if you are, you know, another kind of day care centre and each day care program should be assessed on its merits.

So that is what I am saying, that it is up to \$1,000 per child per space regardless of whether you are in the community, whether you are in the workplace, whether you are in a rural area, everybody should be eligible to that kind of funding.

Mr. Sheppard: Of course, if it was in a school you would not need that many "x" number of dollars unless you wanted to buy equipment or...

Ms. Colley: Well, I was very closely involved with the establishing of a day care centre in a school in Hamilton, and not only did they need the full \$55,000 that the province provided, but also it was necessary to get a federal works grant in order to be able to do the playground

and make the equipment and so on and so forth.

Mr. Chairman: And meet the standards that they require?

Ms. Colley: That is right.

Mr. Sheppard: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: Remember that schools also have equipment and washroom sizes, that sort of thing, are all different than what you need for little toddlers. They just do not fit into it easily.

I am glad you raised this question of group homes, Mr. Sheppard. I have been on this issue of for-profit group homes for years now. I am really glad to get an ally of the Conservative party to help me take that on in the Select Committee, right after we deal with nursing homes. That is an excellent idea. I can give you a list of ones that should be investigated to add to yours.

Thanks very much for these very practical suggestions about how to move to the transition and to just a straight non-profit system. There are a couple of questions I have.

First is the notion you hinted to and then backed away a little bit from that there are already for-profits who are converting in name only to being non-profits.

Ms. Colley: Yes. It is called the masquerade issue.

Mr. Johnston: Yes. So I am wondering just exactly how that is done? What is our definition of what is a non-profit now that could allow somebody to do it in a way that would not have a parent control board making sure that it was not badly done and how often-- you say it is not happening often, I think you said, but you said it is happening a bit.

Could you tell us a bit about that?

Ms. Colley: Well, basically-- I mean, essentially I think the motivation for it is the capital funding that is available to only non-profit day care programs under the current provisions, the current day care initiative provisions, right. And so many day care centres-- commercial day care centres would like to have access to that funding but cannot get it because they are commercial. So what they essentially do is incorporate a new board by bringing onto the board four or five other people like their sister, their brother, their father, their mother, and running it in the name as a non-profit program and it is

called the masquerade issue and it is referred to in this report by SPR Consultants that was prepared for the Parliamentary Committee.

Is that what you mean? That is really the basis of it, yes.

Mr. Johnston: So I guess what I am wondering about is then whether or not we do not need some re-definition. I mean, all I am gathering is we have got a problem statistically knowing who is profit and non-profit, as we have heard any number of times here, and is part of that problem not just how we collect our information but, in fact, including our definition of what is profit and non-profit and this whole notion of parent control that we have been talking about is one of the bases of it, it may be just one of the elements that we need to make sure that it is not abused.

The other thing I wanted to ask you is the question on top of the second page, introduction of a direct grant of 30 per cent of the present per diems and I notice you did not put down the dollar figure. What would that be per diem?

Ms. Colley: Well, I mean, when we first started to-- I mean, you may remember.

Mr. Johnston: Yes.

Ms. Colley: About eight years ago, ten years ago when we started talking about the problems of child care, the child care system being under-funded, we recognize that because it is a user fee service and the parents have to pay basically that what that did was put pressure on day care fees to keep them down and that meant that the wages kept-- you know, that was the way that the wages were kept low and that was the way that the quality essentially was skimped on.

And so as one of our interim solutions was-- we called for a \$5 per day direct grant. Well, that was almost ten years ago and since then the actual costs of day care have risen even though the wages have not risen, have not kept pace never the less, the costs have risen somewhat. And I think there is now a recognition that this is ten years later and we need a lot more than \$5 a day and so 30 per cent, I think, would be a good starting point.

Mr. Johnston: What is the average; is it around \$30 a day or what?

Ms. Colley: Well, between 20 and-- the average in the province is about \$24 per day. So 30 per cent of that would be about nine-- \$8, \$9.

Mr. Johnston: \$8 or \$9. Okay, thank you.

Mr. Chairman: Mr. Reycraft?

Mr. Reycraft: Thank you, Mr. Chairman.

Some other groups that have appeared before us have suggested that the child care system should be similar to the educational system in that there should be a publicly supported system but that we should allow a private system that is not publicly supported in any way to exist as well.

Do you agree with that type of system? I ask because of what you suggested about phasing out the for-profit.

Ms. Russell: I think that in the terms that we are suggesting it, what we are talking about is the public funding of a commercial sector system which we are opposed to, but the existence of those centres in the same way the private school might exist and so on, as long as they met regulations, I do not think our organization has any difficulty with that.

The key is the question of who will pay and what sort of accountability there is. I think really, as well to Mr. Johnston's suggestion about costs and what kind of discussion we are having about costs, one of the things that I think is really lacking is the whole question of some sort of financial guidelines to centres that make it possible to assess the legitimacy of budgets and to properly say that a certain amount, within certain guidelines should be spent on food and a certain amount within guidelines should be spent on wages and so on.

There would obviously be a lot of variation from one centre to the next and there are some legitimate reasons why a program might be more or less expensive within a range, but what we have at the moment is no mechanism to measure the legitimacy of the budget and, therefore, to be able to say this is affordable, this is not affordable, this is how much a direct grant should be, this is not, this is too much. All of it is sort of stabbing the dark and very individual, okay.

Mr. Reycraft: And my other question, Mr. Chairman, dealt with the point made on page two about the prohibitive cost of legal assistance for a commercial operator who wanted to convert to a non-profit corporation. How expensive is that procedure?

Ms. Colley: Well, I have spoken to commercial operators that have been quoted \$1,000 and you may not think that is terribly expensive but, I mean, for people in the day care profession that really are genuinely offering a

service with not very much, you know, money involved, then \$1,000 is prohibitive.

Mr. Reycraft: Thank you.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: I would just like to make some very brief points. I would like to ask about the...

Mr. Chairman: Well, I recognize that and I am prepared to disallow it if the other members do not wish to have...

Mr. Cordiano: Have we exceeded our story?

Mr. Chairman: Mr. Reycraft raised his hand first. Well, we did agree, Mr. Cordiano, that we would have one per party, I think.

Mr. Cordiano: Okay, fine.

Mr. Johnston: That is fine.

Mr. Chairman: I think he is only being different.

Mr. Cordiano: No, no, that is fine. If that is what we agreed to, then that is acceptable.

Mr. Chairman: Can we get a consensus that Mr. Cordiano can ask a question?

Mr. Johnston: Well, he can ask any question, but I just think we had agreed to that, so...

Why don't you jump in with your question?

Mr. Cordiano: Sorry?

Mr. Johnston: Ask one.

Mr. Chairman: Go ahead.

Mr. Cordiano: Oh, okay. I just wanted an estimate of your recommendation that the capital funding, that the province make available \$10,000,000 a year for capital funding.

Do you have any idea how many spaces that might create in terms of new facilities? Have you given some thought to that? Why the \$10,000,000? I mean, I have no idea why you came up with that figure.

Ms. Colley: Well, I mean, this is a working document.

Mr. Cordiano: Well, did you give some thought to like what the \$10,000,000 would mean or...

Ms. Russell: Well, I think when you are looking at major capital a great deal depends on what it is. If you start out from ground zero with nothing at all, you may be talking about purchasing land or you might not be. The cost of producing a space can vary really dramatically.

Mr. Cordiano: Yes?

Ms. Russell: And so if you were looking at, for instance in a school, a school is under construction and there was going to be a piece built on the side to provide a child care program, no cost for land and some tie-in to the existing construction, that would cost X and if you looked over here and said you had to go down to the middle of downtown Toronto and buy land and build on it, that would be a entirely different kind of a matter.

Mr. Cordiano: Well, I understand that. I just thought that the \$10,000,000 represented a figure that somehow your organization felt that would provide X number of spaces and that would be reasonable over a given period of time and I just wanted to have an idea from you how many spaces that would represent in your opinion?

Ms. Colley: Well, I mean...

Mr. Cordiano: If you do not have that figure, that is all right if you do not have it.

Ms. Colley: It would allow the establishment of about 20 day care centres based on the figure of half a million dollars for the construction of a new day care centre.

Now, as Lesley has explained that is an average figure. Some of them can be built for \$250,000, some of them cost, like, you know, up to \$1,000,000.

Mr. Cordiano: Half a million dollars?

Ms. Colley: Half a million dollars is a...

Mr. Cordiano: Maybe that is an old figure.

Ms. Colley: Pardon?

Mr. Cordiano: Maybe that is an old figure.

Ms. Colley: No, no, \$500,000 is quite...

Mr. Chairman: Well, you know, I think the answer has been given that this is a ballpark figure. I do not think they know and I do not think they can be any more exact on

that.

Mr. Cordiano: No. I was just trying to determine the number of spaces.

Mr. Chairman: Mr. Johnston, if you care to-- in fairness, you or the members of the official opposition care to ask another question.

Mr. Johnston: No, by all means. Fine presentation.

Mr. Chairman: Anyone from the official opposition that wishes to ask another question?

Thank you very much.

Ms. Russell: I just have one sort of final point to make that I think if we look beyond the boundaries of Ontario and certainly - although our concern and the concern of our organization is focussed very particularly on Ontario - it is also-- we have a National question as well and we see the role that Ontario plays in the question of commercial or non-profit development and the relationship with the Federal Government and the Canada Assistance Plan and so on to be really critical at this point and especially if Ontario is negotiating changes under the Canada Assistance Plan in order to facilitate the funding of the commercial sector even though, in a technical sense, we might say that the current government is in favour of the development of a non-profit system.

If we look at negotiations which will change the Canada Assistance Plan there could be very serious repercussions throughout the country for the development of the sort of child care system that we will have 20 years from now.

And we see Ontario's leadership position in a federal/provincial sense as being pivotal and we encourage you very strongly not to open the Canada Assistance Plan under the route of CAP that currently does not permit funding for commercial centres, not to open up that route because the implications, not only for Ontario but for the rest of the country and for the long-range development of services, are really-- it is quite alarming, in fact, to consider that we may be opening a can of worms here for the future of the provision of child care.

There are very few children at the moment in the country who are being cared for in the formal system and if what we are looking at is a development that takes in more of the country's children, our very strong position is that that should be a non-profit system and the commercial sector should not be encouraged to meet that need that the country's children have.

Mr. Chairman: Thank you very much.

Mr. Sheppard: We have a rural day care centre in my riding.

Ms. Russell: I hope it is non-profit.

Mr. Sheppard: It is.

Ms. Russell: Good.

Mr. Chairman: Thank you very much for coming and we appreciate your taking the time out to address the committee.

Ms. Russell: We have got an echo.

Mr. Johnston: New access, Howard, may yet go to the province.

Mr. Chairman: Be careful, you know what happened to the western member.

I believe the next group is, although we had indicated this morning they were not going to be able to attend, Barbara Cameron, is it...

Ms. Cameron: Yes, I am here.

Mr. Chairman: ...from the National Action Committee on the Status of Women has decided to attend and we welcome you. And I wonder, is there a written brief and, if there is, perhaps we could have a copy.

Ms. Cameron: There is a written brief but it is not duplicated, so I will have to get it done.

Mr. Chairman: I wonder if-- do you have an extra one?

Ms. Cameron: No, I do not, I have just got the one. It is not as deeply complicated as...

Mr. Chairman: Perhaps you could present it. First, if you would identify yourself for purposes of Hansard and if you wish to read the brief and will provide it to the clerk we will arrange to have copies for everybody afterwards, if that is acceptable.

If you would like to proceed, Ms. Cameron.

Ms. Cameron: Okay. My name is Barbara Cameron. I am a member of the Executive of the National Action Committee on the Status of Women and I am the Chairperson of the Social Services Committee and our child care work is done

under the Social Services Committee.

The National Action Committee is interested in the work of this committee from two perspectives; one is that we have a general position in opposition to the move toward privatization. We consider this a central element in a neo-Conservative agenda which we are very much opposed to. And our second interest is, of course, from the perspective of the equality of women and the importance of quality child care services to the equality of women.

The National Action Committee is committed to the creation in Canada of a comprehensive system of quality, non-profit child care available to all parents who choose to use it. A viable approach to building such a system has been recommended by the Canadian Day Care Advocacy Association and endorsed by numerous organizations in Ontario and across Canada.

The basic elements of this approach were incorporated into the recommendations of the 1986 report of the Task Force on Child Care chaired by Dr. Katie Cooke. It involves the phasing in over a ten-year period of direct grants, both operating and capital, to child care services and the gradual phasing out of the Canada Assistance Plan. Under this plan public dollars would be directed towards the creation of non-profit and public child care services. Public support for profit-making child care would be eliminated as non-profit services are created.

Now, we consider the tax grants that have recently been proposed by the Special Parliamentary Committee and the encouragement of private child care to be a totally different approach and one which would undermine the kind of system that there is a broad public consensus for.

Broad public support exists for the creation of such a child care system. Is it a view of the National Action Committee that the task at hand for legislators is the development of the legislative, particularly the financial framework for the building of this system. We believe that the time of the members of this committee would be more usefully be spent addressing this question; that is, the question of how do you implement such a system than debating the pros and cons of profit-making child care.

I think it is important to recognize that the support for profit-making care and for the tax credit option, both of which fall into the privatization approach, is very limited. There is certainly very little public support. We are involved, working with a whole range of organizations in support of a comprehensive system of non-profit child care.

Governments seem to be attracted to the privatization of social services as a way to save costs. I do not know

what the research of the committee shows but the National Action Committee commissioned a study to investigate, among other things, what evidence exists that private operators are able to provide services at a lower cost.

This was a survey done by somebody commissioned by the National Action Committee and the researchers surveyed the existing literature and there was very little evidence that the privatization route actually saves costs and this is one of the major arguments in favour of it.

There is some evidence that at the beginning of privatization there appears to be some savings, but over the long-run the costs are, if anything, higher. The only evidence of instances where there are cost savings is where the quality of service delivery was seriously affected.

There are a number of reasons why the privatization route does not save costs. The most obvious is that profits are an additional cost which are added to the cost of delivery of a service and I think this point has probably been made in most presentations that are made. Another reason is that private operators receiving public funding often establish special relationships with a few private suppliers. These relationships are highly beneficial to the contractors, a disadvantage to taxpayers and consumers.

The necessity of public monitoring of the private operators is a cost to the taxpayer often overlooked by advocates of commercialization. Costs may also be inflated by a standard technique used by contractors who bid low in order to win a first contract and then substantially increase prices once their position is established.

One example to illustrate this, which I think is quite important, is the privatization of health care costs in the United States. In fact there has been an increase in costs of health care in the United States as a proportion of the gross national product, whereas in Canada where the services have remained mainly public, it has remained at approximately 8 per cent of the gross national product. In the United States it has risen to 10.2 per cent.

An example from the City of Toronto of-- from our area is the City of North York where private garbage collection began at 33 per cent less for public but once it became established, in fact, rose to be more expensive than the public costs of garbage collection. Another example would be from Alberta where a ten-month contract of commercial nursing agencies where the initial costs were lower and the long-term costs, once they were established, were greater than the non-profit agencies.

The experience of Alberta with child care further illustrates these points. Alberta has relied heavily on the

commercial sector to deliver child care services and has made available direct grants and subsidies to profit-making operators. Alberta spends more than any other province per capita on child care and yet has a reputation for having the poorest quality services. In addition, the public funding of private operators has created a powerful business lobby in Alberta which has successfully pressured the government to lower the standards of care in that province.

So I think that the only argument in favour of privatization would be cost and the from the survey done for us of all the existing literature, there does not seem to be much of an argument. So our interpretation is that it is mainly an ideological position, that the people who are favor of privatization have what is essentially a blind belief in the private market and if you look at the literature, the argument about cost savings just has not been borne out.

The National Action Committee on the Status of Women is opposed to the further commercialization of child care services first and foremost because we are convinced that it will have a disastrous effect on the quality of care our children receive. We also know that it will lead to a deterioration of working conditions and wages of the staff of child care services.

Children are too important to be left to the marketplace. This would be our position even if we felt that some cost savings would be available from commercialization. However, our research has indicated to us that there are not even any cost benefits to be gained in the long-run from the further privatization of child care. Indeed, it might be physically irresponsible if the Alberta experience is anything to go by.

Private operators appearing before the Select Committee have wrapped themselves in the ideology of free enterprise and suggested that they have as much right to offer child care as a commodity as manufacturers of baby foods and other products do. This presentation of their situation is quite false. Private operators are not fighting for their right to continue operation, rather they are fighting for the privilege to fatten themselves at the public trough. If private operators properly supervise and maintaining specific standards are able to find a market for their services, they should do so. They should not, however, expect public subsidies for their business. And that is really what we are talking about is a great welfare program for business.

Representatives of the Ontario Government have raised concerns about losing spaces provided by the commercial sector if public funding directed towards the creation of a non-profit system. It is the opinion of the National Action

Committee on the Status of Women that this is a false issue. No one has suggested that funding for the commercial operators be phased out before non-profits spaces exist to replace them. The point here is that new government funds must be directed toward creating the non-profit and public spaces rather than to the expansion of the commercial sector. There must be a moratorium on the expansion of the commercial sector and a phasing out of public funds to profit-making centres as the non-profit are created.

The technical problems with the transition period are not insurmountable. The difficulty here is with political will. There are a lot of other examples of services which were private which have become public. You know, an example is the university system. It was not run for profit but it was run essentially by churches, many of them were church institutions and there was a period of transition and what happened with many universities is that they stopped being eligible for government grants and decided that it would probably be a good idea to become secular and that was what happened with the Ontario system.

So that we have a lot of examples of how this can happen when you have services which have been run by the private sector and which have become public and I am confident that if we put the public servants to work at solving this problem we can. If they cannot, I can suggest the names of five or six women who could be hired for a year and they could most certainly solve this problem quite easily for the government.

In connection with the issue of the expansion of the commercial sector, the National Action Committee on the Status of Women has been disappointed with the position taken by the Ontario Government in federal/provincial negotiations. Instead of taking a consistent position opposition to the expansion of profit-making child care, representatives of Ontario have supported the proposal to amend the Canada Assistance Plan to allow the channelling of more government money to private operators. NAC is completely opposed to such a change and calls on the Select Committee to ask the Ontario Cabinet to reverse their position on this.

I think the previous delegation spoke to this. The position that Ontario takes in this is quite decisive and at present there is an alliance of all the provinces except Manitoba in favour of what is essentially the Alberta approach to child care and it will be quite damaging.

There is a broad consensus in Canada in favour of a publicly-funded system of quality, non-profit child care. Support for the privatization of social services generally is restricted to a tiny minority of the population. The post-war consensus that government has an essential role to

play in the management and delivery of services remains strong in Ontario and in the rest of country. The efforts of right wing ideologues to undermine this consensus has met with little success in this province. I think the fortunes of the Conservative Party provincially attest to this.

The National Action Committee will strongly resist all efforts to further commercialize child care and other social services. We are already co-operating at the federal level with the Canadian Day Care Advocacy Association and the Canadian Labour Congress on a campaign against the recommendations of the report of the Special Committee on child care which would have the effect of expanding a public-expanse commercial child care operations. We consider the decision of the Ontario Government with respect to child care policy to have important implications for federal public policy. For that reason we will continue to co-operate with those Ontario organizations opposed to the commercialization of child care.

I should add here that there is a broad consensus and it is also localized consensus. There is an alliance of labour, women's organizations and day care advocates around this issue. It has existed in Ontario, I know you are familiar with the forums: The Ontario Federation of Labour and the Ontario Coalition for Better Day Care have. It is also existing at a federal level and I think that it is a sophisticated and persistent lobby and the National Action Committee will continue to co-operate with them.

Mr. Chairman: Thank you very much. I have some questions of members of the committee.

Mr. Cordiano first, Mr. Jackson and Mr. Johnston.

Mr. Cordiano: Thank you, Mr. Chairman.

Strange, I thought I heard in your comment some of things that I alluded to on a number of points and I see Mr. Johnston shaking his head, but essentially if-- correct if I am wrong, but I thought you had said in your statements that there is indeed a period of transition...

Ms. Cameron: Mm-hmm.

Mr. Cordiano: ...and the whole issue revolving around the question of the loss of spaces, it is a non-issue you said, and you would not advocate the entire withdrawal of public moneys from the commercial centres because there is that subsidy that now exists, that purchase of service agreement.

Ms. Cameron: Under the Canada Assistance Plan.

Mr. Cordiano: That is right.

Ms. Cameron: Our position on this is that there should be...

Mr. Cordiano: No, not under the Canada Assistance Plan, with the municipalities, purchase of service agreement.

Ms. Cameron: Right, that is the Canada Assistance Plan.

Mr. Cordiano: Where subsidies are...

Mr. Johnston: The Canada Assistance Plan is where it falls under.

Mr. Cordiano: It falls under only for non-profit centres.

From the Floor: No, no, no, no.

Mr. Cordiano: I am sorry, I am sorry. The Canada Assistance Plan, it is a cost-sharing agreement with the municipalities that I am referring to 20/80 and that falls under that. I am sorry, yes.

What I am talking about is that there are subsidized spaces in the commercial centres.

Ms. Cameron: Right.

Mr. Cordiano: Which is what we have stated and I think what other groups have said is that we should not even allow that go on and that there should be an end to that and, therefore, a loss of subsidized spaces even the ones that do exist in the commercial centres. And I thought that you had said that there should not be a whole scale withdrawal of that kind of subsidy.

Ms. Cameron: I think our position is consistent with most other organizations. The Canada Assistance Plan is quite a complicated piece of legislation. Currently under one route, the commercial centres can receive subsidies...

Mr. Cordiano: Yes, directed through the municipalities. That is what I was referring to.

Ms. Cameron: Now, there is another route under the Canada Assistance Plan where the commercial operators cannot get subsidies. What Alberta is lobbying for now is to open that up to the commercial sector as well and we are strongly opposed to any expansion of subsidies to the commercial.

Our position is that we do not want direct grants going to commercial centres, we do not want any new subsidies going and we want the subsidies under the Canada

Assistance Plan phased out of non-profit centres as spaces are created to replace them.

Mr. Cordiano: Right. And I guess what I was referring to is a system of direct grants under the Canada Assistance Plan that cannot take place with commercial centres. That is what I was trying to say. And with other groups I have heard them suggest that we should stop the subsidy that is going to these commercial centres even under the present system and I think that that will cause us to lose some spaces or that those spaces will may not be available.

Ms. Cameron: Okay. I do not know of any group that is calling for the immediate end to the current arrangement. The position of the organizations I am familiar with is that we want that phased out as the non-profit is phased in. Now, we would like it phased out very quickly. We would like a strong commitment by governments to provide the funds necessary to create the non-profit spaces, but nobody is asking, as far as I am aware, for just immediate cutting off of the current support under the Canada Assistance Plan for those parents in the profit centres.

What we would like to see is those profit centres where the people who run them are genuinely committed to child care, for those to become non-profit operations, in which case you would not have a problem. Otherwise we want the non-profit services to be built and to replace them so far as public funding goes.

Mr. Cordiano: If I could look back in the reports that we got and I am quite sure that...

Mr. Chairman: I think that is consistent, Mr. Cordiano, as I recollect it. I think that is a consistent statement.

Mr. Cordiano: What is consistent?

Mr. Chairman: The fact that they are saying that they do not want it necessarily withdrawn but they do not want any additional moneys added to it.

Mr. Cordiano: I do not think it is clear at all, Mr. Chairman. I think we heard a number of groups suggest that no public moneys should be directed to commercial centres under any circumstances. And I think that that was a matter of debate, but I think there are...

Ms. Cameron: I would be very surprised.

Mr. Cordiano: Well, I will look back at the briefs and...

Ms. Cameron: The long-term position of the National Action Committee is that we think the private operators, the commercial operators should operate on the marketplace without government subsidies, but we recognize that there is this transition period...

Mr. Cordiano: You have stated that clearly.

Ms. Cameron: Where they will have to be replaced by non-profit and public funding.

Mr. Cordiano: You stated that clearly, but many groups have not and this is the thing that we have been suggesting or, at least, I have been talking about is having a period of transition; how that will unfold. You do not agree with me-- or the government may move to have direct grants. You are opposed to that, I understand, and so is almost everyone else that sees eye to eye with your views, but I did not hear from any of those groups' suggestion that we should have a phasing-in period or a transitional period over a period that was identified. I did not see that from some of the other groups. Anyway that was my own...

Ms. Cameron: The usual period talked about is three years. That is the position of the major day care advocates.

Mr. Chairman: Three, I think we had from one group.

Mr. Johnston: The one just before it was a five year grant.

Mr. Sheppard: One was five years.

Ms. Cameron: I mean I do not think it is important. The important point is that it is as fast as possible that they have to be replaced and we are talking about not 50 years, but something like three to five years and that is what is important.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: I am finished. Thank you.

Mr. Chairman: Mr. Jackson?

Mr. Jackson: Thank you, Mr. Chairman.

Ms. Cameron, are you familiar with the home-base programs that are operated in some of the regions in Ontario basically where the services are contacted on an individual basis with a woman in her home?

Ms. Cameron: Yes, you are talking about licensed home care?

Mr. Jackson: Yes, it would be if it received the funding through the region.

When we had a presentation from this group, they agreed and there was no one who objected that the government would perceive of them as being private operators given that they are individuals who-- you know, you have to be employed by someone and, in this instance, they are not employed by the region so they are contracting their services out on an individual basis. So by definition they are private, they are a private activity.

Ms. Cameron: You are talking about the agencies who supervise the people looking after children?

Mr. Jackson: Well, the regional government in this instance through their social services do the inspections and they do the allocation, but they also do the contracts directly with these individuals to provide this service. So the contract sets up the commercial activity, as it were, between the woman and the region.

My question is: have you examined that and its potential for expansion and perhaps its difficulty in definition since they would be, for purposes of federal and provincial tax laws, a private enterprise activity or private activity?

Ms. Cameron: Okay. What we are opposed to is not private, per se, it is profit-making. So that the non-profit centres are in the private sector, we support publicly-run child care, government-run child care and non-profit child care.

So as long as the services are not profit-making, that is fine. I do not consider the salary that somebody earns which, in most cases, is quite miserable to be profit. I mean, those people are not-- you know, that is just a wage or a salary.

We do have some concerns in the National Action Committee from the perspective of women's equality with the working conditions of the people doing that. We do not want a system to be expanded on the assumption that you are going to get very cheap labour in the home. Those people require training, anybody doing it, and they require a decent income and it would be desirable if they would be unionized from my perspective.

Mr. Jackson: That was the consensus in the process of the discussion that they would be more adequately protected if they were certified and organized.

And my second area of questioning has to do with the

going beyond the profit or not for-profit question or argument, but to look at if your group has done any examination of the delivery models for a non-profit day care to go the route of the municipal non-profit or the co-operatives, or to look at something that is more aligned with the educational system by virtue of its capital intensive surplus of buildings, which is really ultimately the most expensive component part of an expanded non-profit system will be in its buildings, not in finding and paying for salaries.

Ms. Cameron: Well, we are certainly in support of publicly-run child care so an expansion through the public school system would be fine. There are certain problems with how it is funded as part of-- they are seeing complications. There are some complications around the qualifications of the staff people...

Mr. Jackson: Oh, yes.

Ms. Cameron: ...and sort of jurisdictional questions but, in principle, we are in favour of public child care. We would expect that non-profit child care would also operate alongside it, but that we have no objection...

Mr. Jackson: If I am listening to you carefully, that is not necessarily an endorsement of a delivery model in the public school system, but on the other hand, you are not saying that is not a model that you might support. I am just trying to get...

Ms. Cameron: I think we would be thrilled if there were the public commitment to institute a complete system of child care through the public school system. We would not have a problem with that.

Mr. Jackson: Thank you.

Ms. Cameron: We are not expecting that.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: You do not think it is imminent.

Ms. Cameron: No.

Mr. Johnston: Not during the transition anyway, we need a transition period for that.

(Interjection)

Mr. Johnston: I just want to deal with a couple of matters coming out of Mr. Cordiano's comments. I just cannot stop myself.

I tend to think that the distinction that groups have been making before us is not whether or not there should be transition period which I think everybody agrees there should be and we have had a range of three to five years given on most occasions and most people recognize that this has been a problem-- not a problem, but something that should be just done and offered some interesting suggestions as to how we might accommodate that.

The problem that is being raised, I would like your comments on this, is that if you took the present system and then moved in transition towards a fully non-profit system, it would be quite easy to accommodate over, say, a five-year period or whatever period you want; the difficulty that might really develop is that if we add grants to the commercial sector for the first time, that you would be moving philosophically in another direction if you did that and would be entrenching and institutionalizing further the commercial sector and that that is the problem, then getting to a transition to non-profit is more difficult. And I think that is what people have been focussing on as the difficulty, the contradiction...

Ms. Cameron: Oh, yes.

Mr. Johnston: ...in terms of wanting to go to a non-profit as Mr. Cordiano has said and yet adding a new grant to the commercial sector at the same time.

Ms. Cameron: Our view is that it is quite a critical time in the development of child care services in Canada and that an expansion of the for-profit child care at this point takes child care policy in the wrong direction; that now is the time for that decision to be made. If we have a further expansion of the profit it is going to be more difficult and I think more costly to switch to a non-profit system.

There is, as you know, a huge demand for child care services. There has got to be some government money put in to it and what I tried to suggest in my presentation was that there is not an efficiency argument for going through the private sector, but in fact there may be-- I think the public sector is a more efficient way to deliver the service even if, in the short term, the up front costs are higher.

So that going right now in the direction of expanding the commercial with the idea that you are going to temporarily solve the problem would, I think, be quite disastrous. And I might say that all the day care lobby groups take that position, that we consider the decisions being made right now by governments to be quite crucial.

Mr. Cordiano: I do not take that to eliminate the commercial sector. That is not what we said.

Mr. Chairman: Mr. Cordiano, unless that is a supplementary...

Mr. Johnston: I will be glad to raise it for him.

Mr. Cordiano: He will oblige me.

Mr. Johnston: The interesting recent distinction that is being made...

Mr. Cordiano: Sorry?

Mr. Johnston: Oh, it is recent. I am going to bring in some of the quotes from your Minister from the House very shortly for you to chew on, is this: that all of a sudden the grants that we are going to give to the commercial sector are only going to one class of the commercial, group, and that is those that exist now. A total affront to the Charter, I might say, to try something like that, but the existing groups would somehow get this money to beef them up, supposedly to give them quality of care by this donation of \$3 or whatever the grant is going to be and that it would not be extended to other groups, as if that would never be challenged in the courts in terms of its offensiveness to the Charter. That is, to be fair, the new position by Mr. Cordiano.

I want to raise one of his suggestions he makes and that is this whole notion that there may be a loss of spaces during this whole period, something which I-- licensed spaces I presume. I refer the members to the good work of our research officer Ms. Fooks that she distributed to us.

Look at what has happened in the last few years and things have been so tough for the profit-makers in the field that now, without getting this \$3 grant or whatever it will be, they will now disappear and there is going to be a total contradiction - through you I will raise this with him, if I might - to what has happened in the pass few years.

If you look at that fact sheet that was given to us by Ms. Fooks, the market share...

Mr. Mitchell: Subsidized spaces.

Mr. Johnston: Talking of licensed spaces in general.

Mr. Mitchell: Okay.

Mr. Johnston: Not subsidized. And the total licensed spaces, if you look at the market share between 1980 and 1986, the for-profits had a rise from 44.3 per cent to 45 per cent according to government statistics. So they have not been in decline in the present, very tough circumstances that they are in. In fact, they have had an increase in the

number of spaces during that period, according to these figures, of 38 per cent. 38 per cent. Not, I might note, an equivalent increase in the number of subsidized spaces which they have never been very good at picking up.

So it is, therefore, my argument that even if you were to move now to a position of transition to bringing extra assistance to non-profits, that these people would not disappear because you are only talking in all of the licensed spaces and the enrollment of what, 97,000 kids in Ontario as of 1986, according to Comstock figures, you are only dealing with a tiny, tiny group of all those kids out there needing day care; that there is a real market out there for private spaces to be filled while we are going through this transition period and these people are not going to suffer one iota during this period. And certainly the question of quality of care, which has been there from the beginning, are going to remain whether there is a \$3 add or there is no \$3 add.

Ms. Cameron: We would consider that direct grant as to be a subsidy to the profits. I mean, the profit-making operators have made it fairly clear that they do not want much surveillance of their books, so that we will not know where it is going to and we are just opposed to that kind of subsidy through a direct grant.

The current subsidy program is for the parents who are in those centres and that is the way it works. A direct grant is a completely different approach to funding and just should not be instituted. I think once it is there, then it becomes very difficult to remove it and, as you suggest, other profit-making operators are going to demand to get it too. It is just an initiative that would go quite in the wrong direction. It is a change from what we have now and we should be using our resources to strengthen the non-profit sector.

Mr. Johnston: I concur. Thank you.

Mr. Chairman: Could I just ask a question. There was some suggestion in Ottawa that it would be in the way of a tax deduction I guess.

Ms. Cameron: Credit.

Mr. Chairman: Or a tax credit, whatever way you want to cut it, but that would allow that person - if that were the way the plan were to come down - would allow that person to go to a for-profit centre and put their children in there if they wished and indirectly there would be a funding through public moneys by way of that credit.

Would your group be opposed to that? I am not pleading the case for Ottawa, but I am just trying to---

Ms. Cameron: No. We have opposed the tax credit. First of all, it does not help with the affordability problems that parents have...

Mr. Chairman: They do not get the money back until...

Ms. Cameron: Well, the average benefit when you look at what people used to get with the deduction now get, with the credit it is going to be something like \$200 a year and it is not-- you know, and if you are paying \$5,000 or more for child care costs, that is not going to make very much difference.

But the other objection to it is it is a form of privatization, it is a way to privatize services because if any spaces are created it will be in either the informal care area or it will be in the for-profit and the whole thrust of that report is towards privatization. They recommend some incouragement through the Federal Business Development Grant of loans for centres, which means profit-making centres, and there is nothing that would help the non-profit centres with their problems of getting start-up money, which would be good if this committee could address.

Mr. Chairman: I am just wondering. What is your position then with reference to how the funding discussions have gone on in Ottawa? What would you like to see?

Ms. Cameron: We want a direct grant-- the position of the major-- well, of the National Action Committee, the Canadian Day Care Advocacy Association...

Mr. Chairman: It is directed to the parent.

Ms. Cameron: No, it is not to the parent.

Mr. Chairman: Or to the child.

Ms. Cameron: It is you fund the service so the funding goes in a grant which is usually calculated as a grant per child based on the number of children, goes directly to the service and it is independent of what the income of people are, that you phase in that grant and phase out the cost to the parents. It comes through the service rather than through the parents.

Mr. Chairman: Just to clarify one thing...

Ms. Cameron: The way our education system is run.

Mr. Chairman: Just to clear up one thing further, you had indicated that at the present time Manitoba is the only province that is saying no more private money to-- no more

public money to private day care. Is that what you are saying?

Ms. Cameron: This is quite an important question really for the committee to be aware of. There are federal/provincial meetings going on right now. I think they are bi-lateral and then the Social Services Ministers are getting together in June, and one of the main questions they are discussing is opening up the Canada Assistance Plan to allow additional opportunity for commercial operators to get subsidies. So that would be taking the system again in the wrong direction because it would help expand the commercial sector and that is something we would very much like to see the Ontario government show some leadership and oppose that.

Mr. Chairman: Okay. Thank you very much. We appreciate you coming forward and it was very interesting.

Jane Beach?

Ms. Beach: Can everybody see this?

Mr. Johnston: It is a little awkward.

Mr. Chairman: For Hansard maybe if you could...

(Discussion off the record)

Mr. Chairman: Perhaps you could start off with a happen face so we will start off on a proper note here.

Ms. Beach: First of all, I would like to introduce myself. I am not representing anyone and I was speaking to you for about 90 seconds last week and during that time it became evident to me that there seems to be some misconceptions about how day care budgets work and where the funding comes from and questions like what is profit. So I thought I would like to address that with you today.

First of all, I have been involved in day care for the last 14 years, first as a parent of two small children living in a rural community with no day care and being very strapped for day care so that I could work; later being a recipient of excellent day care for my children to the point where I gave up my career to go and work in day care and later being the Director of the day care centre at York University which cares for 110 children from birth to five.

I later worked as a consultant on the Service Plan that was done by the Ministry for Toronto and Ottawa-Carleton and a survey of private home day care. I have also co-authored the study of work related day care in Canada for the Katie Cooke Task Force and I currently work as a planner for the City of Toronto.

My primary responsibility is to plan, co-ordinate and implement non-profit day care programs that may either be negotiated as part of new developments that are being built in Toronto or which may be initiated or sponsored by employers or employee groups. So that is just to hopefully establish some credibility with you.

One of the things that I have been hearing from the committee and from various debates on the profit/non-profit question is that the private sector has gone in to fill a gap and it has provided a very important service in various communities, but I have not really heard the question of why that has happened and I think that it is important to address that question.

Day care, historically I am sure you know, has been viewed as a welfare service and not a community service. There has been no planning for it, no development, no assistance provided to community organizations to establish the service. I am sure you have heard people talk about schools and hospitals that are publicly-funded and that one would not expect a private sector to go and establish those services as an alternative.

Even if you took a much more conservative approach and looked at libraries which are probably not viewed as an essential part of life, but really enrich a community and also offer a range of other support services. You know, libraries are a central meeting place, you know, they can support the community in a variety of ways apart from just providing books and I do not think that it would be reasonable to expect the private sector to go out and establish those services in communities and I think it is simply because it has not been addressed in any kind of comprehensive way, that the private sector has gone and set up day care centres.

If we could just look at the City of Toronto just to use as an example where there has been a concerted effort both on the part of the City itself and also the Board of Education to develop non-profit community-based day care centres and workplace day care centres.

You will see in the City now there is very little commercial day care and as a result, there have been much more interest in day care on the part of business, other public sector bodies and the community. So I think it is a real public/private partnership even though all the day care centres that we have been involved in are non-profit.

So what I would like to do, first of all, is just very quickly run through a day care budget. I am basing these costs on the allowable line items in a Metro budget. This is what a day care centre who wants a purchase of service

agreement has to fill out every year and submit to Metro.

So the first exercise is just the cost of day care. So I guess, first of all, this is the model that we are using which is a very common model that is limited by provincial legislation, the number of children in a particular age group...

Mr. Chairman: Can everyone see that?

Ms. Beach: ...that you can have in a group together. So it is 10 infants, 10 toddlers and two groups of 16 pre-schoolers. These are the staff; the teaching staff that are required under the Day Nurseries Act. You have 52 children, 9 teaching staff. You need an additional supervisor/director on top of that who does not work with the children.

Since day care centres, even if they are fully enrolled, you do not usually base your budget on 100 per cent enrollment because there is turnover and you like children to have some time to ease their way into the program and not start one day and that is the end of parent involvement.

In this program there are 26 full-feed children and 25 subsidized children; so 26 parents have to pay the full cost of day care which includes everything from teaching costs, rent and mortgage payments, everything it costs to operate that program.

The other 25 receive some level of subsidy, so that money comes from all three levels of government and it is restricted, first of all, by the eligibility requirements under the Canada Assistance Plan, any stricter criteria that the province may apply and in Ontario the municipality sometimes limits those criteria further. The municipality also establishes whether or not there is a minimum user fee and in Toronto that is 42 a day per family.

Mr. Chairman: Could I stop you for a second. Is it standard, municipal requirements standard or...

Ms. Beach: No, it varies tremendously. In Metropolitan Toronto a family of four could make \$40,000 a year and still receive some degree of subsidy. In Peel if you make \$17,000 or \$18,000 it is very unlikely that you would receive any amount of subsidy. So, of course, there is a close link between what parents can afford to pay and what the operating costs of your day care program are going to be.

So in this day care centre which is the Downtown Child Development Centre, it is a workplace day care. These are the costs involved of reasonable salaries. Some centres pay

higher, most pay lower, but I think that this, among the day care community, could be recognized as a liveable wage.

The Director is making \$30,000, there is one apprentice position, she makes \$17,000 - I will say she because they nearly all are. The other 8 staff are making \$20,000. You have a cook/housekeeper, caretaking staff. Under the Metro guidelines you are allowed 10 per cent of your program staff; that is these two, for casuals to fill in for staff on replacements, when they are sick and also you need people at the beginning and at the end of the day because staff do not work 10 or 11 hours a day, hopefully anyway.

Administration: That is bookkeeping, any kind of administrative function. This day care centre budgets 12 per cent for benefits which is a fairly comprehensive package. It may not include dental care, but it probably includes OHIP, long-term disability, Workmen's Compensation, a considerable number of benefits beyond the mandatory. So this \$295,000 is what this day care centre is going to spend on salaries.

It is renting and old place downtown, it has got a really good deal. It is only \$2,000 a month, but it is quite an old building and rather drafty so utility costs are rather high. There is no property tax because they are renting. \$1,500 a year repairs and maintenance. Metro does allow you to depreciate large purchases over \$500 like a washer or dryer, but most day cares cannot afford to buy those. So there is nothing in the budget for that.

This is the replacement of playroom and playground supplies, mostly consumable things like paper, pencils, paints, things that are used up on a regular basis. And the operation and maintenance line is to replace things that are not consumable but that wear out like puzzles or small table toys, things of that nature.

Travel costs include-- that is for field trips. It also includes any emergency travel you need to do to take a sick child to the doctor and admission fees for field trips. Food is based on the maximum allowable by Metro which is \$1.60 per child per day. And these are insurance premiums, housekeeping and cleaning supplies, laundry costs which, because this day care does not have a washer and dryer, it has to use a coin laundry to wash the kids' sheets and that.

Okay. We have office supplies, telephone, bank charges, no business taxes, this is a non-profit centre, audit, advertising which is minimal because it is pretty well fully enrolled. This is to advertise either for teaching staff or for children. \$1,200 a year for staff development. Nobody can afford a car here, so there is no car expense.

The subtotal for everything other than salaries is \$72,745. This is your total operating cost. So I think you can see by looking at this, those charges are fairly reasonable. Nobody, you know, it is not an exorbitant rent. If you go back to the beginning for a minute, and people are making a liveable wage but hardly an extravagant wage.

Now, this is a fictitious centre but is based on actual budgets that I see far too many of actually. Let's just take one scenario; a workplace day care that was negotiated with a developer as part of the planning process in the City of Toronto and a community college is running that day care. So I would just like to look at what kind of support might be available for a day care centre like this in the City of Toronto.

Well, first of all, these costs are the same, your staff costs and your housekeeping/cook, however, as part of the agreement with the City, they do all the caretaking and cleaning so there is no cost here. You have this same cost. The college provides all the administration, so there is no cost associated with that. And so that reduces your staff benefits a little bit because you do not have as many people to pay and in this one your total salaries and benefits are \$268,580.

Mr. Chairman: \$268 or \$208?

Ms. Beach: \$268,580.

Okay. Now, as part of the agreement with the City of Toronto, there is no rent charged, no utilities charged, no property tax, no repairs and maintenance. Because it was so well supplied at the beginning, there are no large purchases that are needed.

This combined now is slightly less again because it was really well supported in the beginning. Same travel costs. Now, because the college is running this program, they are able to get their food at cost which is considerably lower than the \$1.60, they get it for \$1.00 a day, so that works out to \$13,572 for food.

The college pays the insurance premiums. There are some housekeeping and cleaning supplies, but since most of that is done by the cleaner, it is much less than what it would ordinarily be and because this centre has a washer and dryer, there are no laundry costs.

Okay. Office supplies are again much reduced. Sorry if this is bothering but I think when you see the bottom line you will be glad you stayed awake.

Okay. \$800, again a lot of the stuff is supplied by

the college. The telephone the college picks up, as they do the bank charges. No business tax, no audit. The college does the audit and \$300 for advertising. The same amount of money for staff development, no car and the total on this is \$21,232 which brings your total cost up to \$289,812.

So you can see it is quite a bit less. Again because the community college is running this and they run it as a lab school, they subsidize the program somewhat. They do not give it actually in a grant but they take \$25,000 off the budget. So that is the degree that they are subsidizing it and so then your real cost of operating this day care is \$264,812.

So let's figure out what the parents are having to pay. You take your total expenditures, you divide it by the number of days of operation, times your average enrollment. So you take your total cost-- this is the real cost where there is no support. It was in operation 261 days a year which is every day except weekends and statutory holidays. This is what it costs the parents \$27.67 a day or \$138.35 a week \$7,194 a year, that is for one child.

In a supported workplace day care program where you have this as your total expenditure which works out to \$19.89 a day or \$99.45 a week or \$5,171.40 a year, a savings of about \$2,000 and in this centre where there is no support, we are spending 80.25 per cent on salaries and in this one, not deducting the \$25,000 which would make it even higher, here you are spending 92 per cent of your budget on staff salaries. And I think you have a pretty good program.

Okay. Well, we know that workplace day care is not the solution for everybody and really there are so many large developments that you can negotiate to get that degree of support. So let's look at a Board of Education program in the City of Toronto. This is it called Community Care Co-Operative, it is a parent co-op. The salaries are somewhat lower but the supervisor here is making \$22,000 -- whoops, that should go here -- teaching staff, we have an assistant supervisor here making \$18,000, the other 8 staff are making - how much are they making - they are making \$16,000, that is \$128,000. The cook/housekeeper is making \$14,000.

There are no caretaking costs because the Board of Education provides that. You have 10 per cent casual staff here. The administration is done by a parent as part of their co-op duties. The benefits are 9 per cent which is somewhat less generous than in the full cost, but because it is coming out of parents' pockets, so the 9 per cent comes to \$16,380. Your total salary and benefits \$212,980.

The other costs are fairly similar: No rent or mortgage because the Board of Education is paying for that

and the same with utilities, no property taxes, no repairs and maintenance, no large purchases. So they are spending similar costs on the other items that you saw in the previous budget, a little less on office supplies than the full cost budget because they get some things through the Board, telephone, bank charges, no business tax, the same for audit, advertising and staff development.

So here is your subtotal, excluding salaries this is your total cost with salaries. So here you see the cost per day per child is \$18.55 or \$92.75 a week or \$4,823 a year.

Now, since these staff are paid somewhat less than the staff that work in Metro centres, they are eligible for the City of Toronto salary supplement grant, so they receive \$22,000 a year from the City of Toronto which bumps the salaries up by just over \$2,000,

So the percentage in this budget that is spent on salaries without the grant is 86.25 per cent and if you include the grant it is 95.16 per cent spent on salaries.

Okay. Now, we are onto Commercial Kiddy Care Limited which is located in High Park, it is a small chain, the owner has three day care centres and in this day care centre the supervisor is making \$15,000 a year. Their teaching staff will have to have four trained staff, one in each of the groups, so the four trained staff are making \$6.50 an hour, that is usually an hourly wage as in commercial day care which, just for your information, is \$12,675 a year for 37 1/2 hours a week which is not good.

There are many commercial day cares that are paying minimum wage, but I thought I would be generous here and give them more.

The other teaching staff who are not qualified are making \$5.50 an hour which works out to \$10,725 a year. So your total teaching costs here are \$104,325.

Now, because the staff have to do most of the housecleaning themselves, I paid \$5,000 here in this day care centre for cleaning, the major cleaning that has to be done once a week. I never need 10 per cent casuals, so in this program it is only 7 per cent, \$7,303.

This day care operator does the bookkeeping and things like going to the bank himself, so he is paying himself \$10,000 in each of his day care centres to perform the administration function; paying slightly more than the absolute mandatory benefits; he is paying 5 per cent, so the total amount spent on salaries and benefits including the \$10,000 he is paying himself here is \$147,844.

Okay. Now, this operator's wife bought the house in

High Park for \$150,000. She made a small down payment and her mortgage costs are \$1,500 a month, but what she does is she rents it to her husband, the day care owner for \$24,000 a year, \$2,000 a month, which is the going rate in that area. So as you can see from that, that alone is making about a \$9,000 profit.

The utility costs are fairly low because the operator was able to get a home insulation grant and loan and has really good insulation in the house. He does have to pay property taxes. Repairs and maintenance: His son came in and painted the place this year and it was nice that he could make a little extra money on the side. Made some large purchases which Metro allows you to depreciate over 5 years, so this purchased a washer, dryer, some new drapes, a fridge and a stove which I can amortize over the 5 years so I can get \$960 each year on that purchase.

I do not think that the kids really need all that much paper and paint in this program, so instead of the maximum allowable it is \$30 a year instead of the \$43 allowable. The operation and maintenance which was to buy some new tricycles and some record players this year, they do not go on as many field trips because it is really hard to supervise when you do not have as many part time staff. Insurance costs, cleaning and housekeeping supplies: Since this day care operator bought a washer and dryer there is no laundry costs. The food is somewhat less than is allowable because the staff often bake muffins and bring them in and stuff for the kids. They do not need to spend that much on food. \$2,000 on office supplies because this operator thinks it is really important to have nice letterhead. So office supplies are a little higher.

Telephone, bank charges, business tax, audit. Advertising is higher since there is much higher turnover both in terms of staff and children. Staff development is pretty low in this program but the operator can claim \$700 a year on his car which he also leases and can write off as a business expense.

The subtotal is \$68,800. This is your total costs. This is a 6 here. Now, Metro allows you to add in a 10 per cent profit into this which is this much, so this is the total operating budget.

So your per diem cost, it is a real bargain, it is cheaper than either of the other two, \$17.89 or \$89.45 a week or \$4,651 a year. And in this program the percentage spent on salaries a whopping 62.1 per cent.

Now, another question is well, what is profit? Many operators will tell you it is only the 10 per cent that they are allowed to claim as a line item, but there was the \$10,000 on the administration, \$21,000 on the 10 per cent

profit, there is the \$9,000 profit made annually in difference between the mortgage payments on the house and the rent charged and plus the equity in the house has really increased.

That house was purchased for \$150,000, it is now worth \$400,000. So-- and this is just one of three. This, as I think I mentioned, this day care operator has three day care centres. So just looking at the 10 per cent, the salary and the \$9,000 difference that alone on the three centres is a \$120,000 a year plus the increased equity in the house which in this one alone is \$250,000, multiply that times 3 -- well, you have- the guy is practically a millionaire.

Now, this is the kind of statement or the budget that is required by Metro, however, very few municipalities are anywhere near that stringent. Very few require line item budgets, most municipalities require an audited statement but when you look at an audited statement, all the salaries are lumped together so it is very easy to pay yourself a whopping sum of money and pay everybody else a little amount of money and it looks like a reasonable amount in an audited statement.

Just to backup. If the province was to give direct grants based on \$3 a day on this model of 52 children operating 261 days a year, you would be getting approximately \$40,716 to the day care. If it only went to the staff, the staff that are directly involved with the children, not the cook or the caretaker or any of the other support staff, that would increase their salaries by close to \$4,000 a year.

Why would public money then go to bringing salaries up from between \$10,000 to \$12,000 to \$14,000 to \$16,000 thousand on the one hand when all this money has been available to pay the staff better wages in the beginning.

Just to wrap up. Every day I get phone calls from a variety of people interested in day care. I get calls from employers. I never have had an employer say: I would like to set up a day care centre that is operated as a business. I never have a developer say: I want to set up a model day care in my development and I want it run for business. I never have received a call from parents saying: I am looking for day care and I really want a commercial day care, can you recommend one. I get many parents saying: Can you recommend a good non-profit day care in my community and I guess that is it.

Mr. Chairman: Very well done.

Are there some questions from-- the first will be Mr. Johnston.

Mr. Johnston: Can I keep the flip chart.

Ms. Beach: Well, I will give it back. Somebody has asked me if I could have it typed up and mailed to them and as soon as I have that done I would be happy to give it to you.

Mr. Johnston: Great, great. Good audio/visual.

Mr. Chairman: I think if you are going to do that, if you would not mind sending us copies, I think it might make the Hansard perhaps more intelligible if they have it.

Ms. Beach: Sure, be glad to.

Mr. Chairman: Mr. Johnston, was that your question?

Mr. Johnston: That was dynamite. I loved it. How about you, Mr. Cordiano? Did you like that?

Mr. Cordiano: I was very interested.

Mr. Chairman: You better-- you are going to ask the question instead of Mr. Cordiano?

Mr. Cordiano: Do you have a question? I do not.

Mr. Reyecraft: Yes, I only have one.

Mr. Cordiano: You only get one. I do not have any questions.

Mr. Reyecraft: Mr. Chairman, I do not quarrel with the proposal that private day care operators pay their staff less than the staff in non-profits. I have no argument with that, but what I do take some exception to is the supposition in your proposal - I think it is extremely well done, I compliment you for that - that on items like rent there is no cost because it is in a school or because it is in a college.

Ms. Beach: If I can just interrupt for a second. In the first budget there was a rental cost. Then what I went on to say is that when there are other organizations involved, using the City of Toronto as an example, it is possible to get other organizations or business to support the programs in a variety of ways, but if you look at the first budget which talks about the real cost of day care...

Mr. Reyecraft: The point I am really making is that the 62 per cent compared to-- what was it with the others, up in the 80s and 90s?

Ms. Beach: Between 80 and 90, but on the real cost of day care you end up with a much higher percentage than on

the commercials.

See 80 per cent here where you have got all the rent and utility costs. Okay. This centre is not supported by anybody, paying \$2,000 a month the same as the commercial operator even though his wife owns the building and the mortgage payments are only \$1,500. That is \$2,000 a month and \$7,000 for utilities, they are paying repairs, they are paying all of this.

Mr. Cordiano: Where is the administration cost.

Mr. Mitchell: That is one that is in the school.

Mr. Cordiano: Sorry, where is the administration cost on that?

Ms. Beach: What does that include? Things like bookkeeping...

Mr. Cordiano: No, no. Do you have an administration cost? I do not recall.

Ms. Beach: Mm-hmm.

Mr. Johnston: She has them all.

(Interjection)

Ms. Beach: \$8,000.

Mr. Chairman: I am glad to see that Mr. Cordiano has jumped in.

Mr. Cordiano: It does not really matter. You know, we are dealing with this now. I am sorry.

Ms. Beach: Yes, \$8,000 for this one.

Mr. Cordiano: I will shut up.

Mr. Reycraft: The point I was trying to make that the percentage that is paid in salaries is really not as high the final figure shows on some of those because you do not have a cost in for accommodation.

Ms. Beach: That is right.

Mr. Reycraft: And that really is a cost; it is not something they have to pay out, but it is still a cost to somebody.

Ms. Beach: Exactly, but the point is that with a good comprehensive program other organizations are interested and willing to help support good, non-profit day care programs.

This, which includes all of the costs, which includes property costs, maintenance costs and all of those things, you are still, at the end of the day, paying 80 per cent on salaries.

Mr. Chairman: I think, if I understand Mr. Reycraft's question, he is saying that because you are holding it in a building that is owned by some governmental body...

Ms. Beach: Not here.

Mr. Mitchell: Who is doing the caretaking in that one? Who is cleaning...

Ms. Beach: Maybe I will just run through this column right here. This is a full cost day care centre getting no breaks from anybody, they are paying rent, they are not supported by any other organization...

Mr. Cordiano: And it costs \$11,000 a year?

Ms. Beach: ...paying all the costs. The only thing they do not pay is property tax because they are renting, they do not have a mortgage, so it is included in there. But everything else you see they pay.

They do not pay business tax because they are non-profit and they cannot afford a car, that is the only difference there and at the end of the day, in this very expensive true cost day care program, 80 per cent of your budget is salaries. There is nothing in there except for business tax and the car expense that the commercial operator does not have.

The other side is an example of how you can reduce costs with a planned approach to day care by having developers help pay for it or by having the community, through the Board of Education, help support it. It reduces your cost, you still get high quality, your staff are still paid well, and so why choose the other route is what the question is.

Mr. Reycraft: The one I was really directing my question to was the one where it was in a college and somebody else was doing the cleaning...

Ms. Beach: It is not in a college, the college runs it. It is in a downtown development that was negotiated...

Mr. Reycraft: The college cleans it?

Ms. Beach: Pardon?

Ms. Reycraft: The college provides the housekeeping, but does not charge them for it?

Ms. Beach: No. The developer provides it. This is an example of what the City of Toronto does to support day care. It negotiates for day care space in new developments. The developer is responsible for the costs of the accommodation which includes rent, utilities, maintenance, cleaning that kind of stuff.

The college is operating it. The staff of the day care that are making the \$20,000 a year are employees of the community college and they use it as a lab school so they provide some in-kind services like, auditing, bookkeeping and administration, food at cost.

Mr. Reycraft: But some of those things-- there are some items that are costs.

Ms. Beach: Mm-hmm.

Mr. Reycraft: Not costs to the co-op, but costs of operation...

Ms. Beach: Right.

Mr. Reycraft: ...that are not included in your base figure which tends to distort the percentage somewhat.

Ms. Beach: Well, on this side, yes. On this side, no.

Mr. Mitchell: Let me ask a quick interjection. What would the rent be in that place where the child is occupying space?

Ms. Beach: Where the developer is providing the space, the rent would be astronomical.

Mr. Mitchell: That is the point Mr. Reycraft was making.

Ms. Beach: The point is that that space could not have been built if it was not a day care centre because under the City zoning by-law or the official plan of the city, that space is exempt from the gross floor area calculations.

Mr. Mitchell: Sure.

Ms. Beach: So it is not included in the density, so in a sense that skews the argument somewhat because that space would not exist if it was not a day care.

There is the capital cost of building it, but developers are really willing to do this, they view it as a real benefit to the tenants and it is true it is a cost, but

what I am suggesting to you is...

Mr. Johnston: It is not a government cost and it is not going to be.

Ms. Beach: ...why support commercial day care when business, when employers, when the community is willing to support it and you can get better salaries, better quality care, better facilities.

Mr. Chairman: Mr.. Jackson, I believe you are going to be asking questions for the official opposition, are you?

Mr. Jackson: Yes, Mr. Chairman, thank you.

I am familiar with the concept that you go through with the development because in Mr. Reycraft's community as a subdivision agreement they get a park dedication and sometimes you can redefine where those...

Mr. Reycraft: We seldom get subdivisions, Mr. Jackson, in my community.

Mr. Jackson: But with your municipal experience I am trying to use that analogy for you to understand its application.

The second application is in the zoning and site plan agreements which the City has control over and they in turn can amend those as on a negotiated basis and sometimes the developer ends up with more units he can sell and, therefore, his profitability goes up and as a set-off he is able to direct those funds to building the shell or the building, but he is not interested in the on-going costs and expense of operating it, he wants to get in and get out and that is understandable.

The problem with that plan though, you are from Toronto and that is fine, there is still pockets of development. The problem is that that is not a widely utilized exercise across the province.

Ms. Beach: I think I did go on to say that, that this is just one example. It is not the answer for everybody which is why...

Mr. Jackson: I am just simply saying its limitations, if you get outside of any philosophical arguments, its limitations are that it is not applicable in all elements of the province.

Ms. Beach: This particular model, no. I think the second one probably is.

Mr. Jackson: Now, my second question is-- or my first

question, rather, that was just a statement. My first question has to do with Mr. Reycraft's question, because I have 10 years' experience developing day care in a public school when I was a trustee and I ran up a tremendous amount of resistance because we still succeeded in doing-- we started labs 12 years ago in Burlington.

The problem is that we are finding, whether it is in a community college or in a school Board, is that the administrators of both of those systems are responsible for the accounting, the internal accounting of where those costs are associated and, therefore, they have to identify that those are taxpayer dollars, 50 per cent.

Mr. Chairman: Mr. Jackson, excuse me, could you speak into the mike, Hansard...

Mr. Jackson: 50 per cent of those dollars that are used come from the residential taxpayer and the other 50 per cent comes from the province. So that is the dollars which we are using in a public school setting, and almost entirely the dollars are coming from the province in the community college setting.

What it requires is the provincial government support for the program if you are going to use that kind of creative accounting. I mean, it is a cost for that space, if we cannot put pupils in there, regularly, daily enrolled pupils, then we are freeing up the space to be utilized for the program, which most of us support, that is not a problem, but somebody has to be accountable for it and I think that is what Mr. Reycraft's point is.

What do we do if the government does not, if one Ministry does not support the other Ministry in terms of the delivery of that program or making the transfer, in other words. Writing it off, in a sense, which is really what has to be done?

Ms. Beach: Well, first of all, I would like to suggest that the additional costs associated with cleaning the amount of space that a day care has in a school, I do not think significantly adds to the budget. That space has to be cleaned whether it is empty or full. I think it adds very little to the budget.

The second thing is if one Ministry does not want to do something and the other Ministry does-- I mean, I do not think that that is my job to answer that. I would hope that the government could come to some agreement, if they are going to have a comprehensive approach to child care.

Furthermore, the community college example, I believe that it is a very valid cost since it is creating more lab schools, since the job of the community college is to

graduate more and more early childhood educators, that there have to be some costs associated with that. So I do not see how that is really a problem.

Furthermore, I simply...

Mr. Jackson: We are not going to expand the system. I mean, I do not want to get into a debate with you. I will go right to the point.

Currently the Ministry of Education is saying that...

Mr. Cordiano: Great.

Mr. Jackson: Currently the Ministry of Education is saying that Boards of Education cannot do creative things with the leasing of their facilities in order to justify maintaining and keeping those spaces in a school that might be declared redundant and, therefore, freed up for the separate system.

Ms. Beach: If you looked at this...

Mr. Jackson: Let me finish my question, please.

Ms. Beach: Okay, sure.

Mr. Jackson: Because I am seeking an answer. I am not trapping anyone.

Let me just get you back on my question please. My problem is that one Ministry is saying one thing because now it has a higher imperative for the use of those spaces. During the 70s and early 80s it was sufficient for us and many of us, as a trustee for 10 years I advocated extensively for the use of that vacant school space and we wrote down our commercial-- we were giving them away to the non-profit operators and for anybody with a private application they had to pay. So I have no difficulty with that.

But now I have another Ministry that now has got a new imperative for that space. It is now evaporating on me very quickly all over the province.

Now, what do we do? Can you give me some suggestions? I am trying to lead you.

Ms. Beach: It is a difficult problem. I think it is not an answer but a valuable lesson in what happens when there is really short-term planning and if there is no long-term development of, you know, of programs.

Now, I did have an answer at the beginning of your question and now I have lost it, but if you give me a minute...

Mr. Jackson: You had a debating point. I am trying to get a handle on how we establish this as a priority so that-- what is underlining is that we do not build any more schools.

Ms. Beach: Right.

Mr. Jackson: Therefore, we have less of a redundant school situation in which for us to use the program.

Ms. Beach: Okay. Well, I think if you look at the City of Toronto example where perhaps 10 years ago a lot of small schools were faced with closing, they were declared redundant and then there was the development of the comprehensive day care policy which gave top priority to day care in vacant space and there has been a complete turnaround in the enrollment level.

I would suggest that if you have day care centres in the schools that the result of that down the road is really increased enrollment.

I agree that, you know, opening up the whole question of providing that space to the separate school is really a problem. I do not think I have an answer to that but, you know, I do suggest that having day cares in schools will have a ripple-down effect on increasing enrollment.

Mr. Jackson: That has been established before this committee and we are very pleased to see that. It is just that we now have another Ministry setting a higher priority than the direction which we had been sort of following in an unorganized way for the last 5 years. That is the point.

Mr. Johnston: What is the priority, separate school funding?

Mr. Jackson: Yes.

Mr. Johnston: Separate school funding.

Mr. Jackson: Yes, I think that is what I am getting out of the most recent Ministry announcement.

Ms. Beach: I would also just like to add that these are hypothetical examples of just where day care could be developed in a community, where it could be developed downtown. There are lots of other options.

Mr. Jackson: I was asking the questions because of your background as a planner and I thought that you could contribute to the hearings beyond your flip charts.

Thank you.

Ms. Beach: You are welcome. Is that it?

Mr. Chairman: Thank you very much. It was an excellent presentation, I add to Mr. Reycraft's statement and Mr. Jackson's, but if you can provide us with a copy of that after it is printed up, we would appreciate it.

Tomorrow afternoon at noon, tomorrow at noon we are going to have the inspectors in from 12:00 to 1:00, so we will sit through till 1:00 and I would certainly appreciate it if we are all here promptly at 10:00. It makes it fair to the people that are appearing and it makes it easier to try to keep us on time, which is a suggestion I make.

Mr. Johnston: You are suggesting that one member from each caucus be here at 10:00?

Mr. Chairman: Well, certainly that. Certainly, that.

Adjourned until tomorrow.

The Committee adjourned at 3:30 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

THURSDAY, APRIL 9, 1987

SELECT COMMITTEE ON HEALTH

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Andrewes, P. W. (Lincoln PC)
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Hennessy, M. (Fort William PC) for Miss Stephenson
Jackson, C. (Burlington South PC) for Mr. Andrewes
Leluk, N. G. (York West PC) for Mr. Turner
Sheppard, H. N. (Northumberland PC) for Mr. Baetz

Clerk: Deller, D.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

Individual Presentation:

Edwards, R., Former Member, Ministerial Task Force on Child Care

From the Ontario Coalition for Better Daycare:

Colley, S., Executive Co-ordinator

From the Peel Lunch and After School Program:

Leal, S., Executive Director

Miller, J., Public Relations and Fund-Raising Co-ordinator

From the Ontario Advisory Council on Women's Issues:

Ion, S., President

Kerr, S., Vice-Chair

From the Ministry of Community and Social Services:

Eastham, K., Director, Child Care Branch

Sutherland, M. E., Program Supervisor, Kingston Area Office (Adults and Children)

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON HEALTH

Thursday, April 9, 1987.

The Committee met at 10:10 a.m. in room 2.

CONSIDERATION OF CHILD CARE
(Continued)

Mr. Chairman: I understand the second witness is here and she has some commitment she has to meet, so perhaps we could deal with her first.

Renee Edwards, how are you?

Ms. Edwards: Good morning.

Mr. Chairman: Perhaps you would like to identify yourself for the purposes of Hansard, and if you have a brief, if you would like to read that brief.

Ms. Edwards: Yes, I will do so.

Mr. Chairman: Fine. Do you have copies of that, by any chance?

Ms. Edwards: No, I have not..

Mr. Chairman: Perhaps the clerk can make copies after you have made the presentation.

Ms. Edwards: Thank you.

Mr. Chairman, I am very pleased to have this opportunity to address you today. At the same time it saddens and disappoints me that the need to address a government body on this issue still exists.

Now, I have had occasion a couple of years ago to look in great depth into this subject, and a complete statement on my position and recommendations is already on record in the Task Force Report, and like a conscientious committee, I am sure you have done your homework and you are absolutely familiar with the contents and the recommendations.

I wanted to make a personal statement today on just one aspect of the issue and to address you and to bring to your attention three points.

One, that children in care, regardless of the reason for the care situation, are entitled to the best available, and the best is that which takes into serious account their

developmental requirements; and, two, that this care is expensive and we have an obligation to pursue the most cost effective way of providing it, and the most responsible fiscal policy; and, three, dollars are scarce, and all available dollars must be part of a resource pool to build a supply with which to purchase that care. There is no profit without reducing that pool.

Mr. Chairman, the current debate on day care is remarkable for not only the frequency of the commentary, which is daily, but also for the range of commentators from editorial boards to economists, and for encompassing the many points of view that I am sure you have become familiar with by this time.

Of course day care has always been a household word, but in a less public and noisy fashion, and unofficially because the caring of children by others than parents has always existed.

It has surfaced as an issue over the past ten to fifteen years because the radical changes in family lifestyle and labour market participation have made it a critical factor in the stability of the contemporary family.

The recent four years has seen a public representation with a louder voice, pressing for a recognition of the serious lax in public policy on this issue and the lack of serious attention paid to the problem, culminating in the two reports to the Canadian public initiated by federal governments, and the almost abrupt realization by all sectors of the public that there is indeed a crisis in day care, that it is 'the' social problem of the Eighties and that at least serious attention is being paid through responsible analysis and research.

The issue is a sensitive one and debate is frequently hot and passionate, rather than reasoned or responsible, and there are, of course, several explanations.

I believe a contributing factor is the lack of clarity about the reasons for formal child care, and that the feelings about these reasons for the existence of formal day care have set up obstacles to the making of responsible decisions about the nature of the care itself. Witness, for example, the absence of policy.

Now, this is not the time to go into the history of the day care movement, but a brief note is appropos.

It is worth reminding ourselves of the distinction made in the not too distant past between day care and nursery schools, dealing with the same raw material, children, but based on different philosophies and approaches.

The one, day care historically is a service to the working mother, specifically to the mother, and tied to labour market economics. The other is an educational resource to the whole family with one parent at home and motivated by a recognition of the child's potential with the need to maximize it, and the child acknowledged and respected as a developing human being.

There is today still this ambiguity about the purposes and goals of child care. This dual approach exists. Systems are still based on whether they are perceived to be a service to the labour market, to free the family to work, or service to the family, with the goals maximizing the child's potential.

In the first instance there appears to be an agreement that providing a roof, a place, a meal and affection, that is custodial care at an affordable price, is sufficient as a mechanism to permit mothers to go to work.

In the second instance there is an acceptance of a goal that has for its focus the child's needs beyond basic shelter, food and affection, beyond the custodial, to its development as an unique individual.

In both instances the direct service client is the child who, of course, is quite unaware of these distinctions made on its behalf, but for whom the consequent implications are significant.

Somehow in the pursuit of services to the working family we have neglected to give the same attention to the reasons in the first place for these services, the care of the child, with the consequence that public opinion is a result of and reinforces this two-tiered approach of developmental education for some and basic custodial care for others.

The question that begs to be asked is, of course, are these two approaches inconsistent with one another, are they mutually exclusive? Are the children different? Well, of course not and not at all.

These two components together comprise quality care, and it is the objective of most professionals and providers to offer that service. Many are doing it and who will continue to strive to provide it, but not all can, nor will all providers try because it is costly, and because there is no public imperative, nor political will to support them in this striving which says that this be the goal and purpose of all child care arrangements, quality care.

Also there are many to whom the need for this level of care simply not acceptable. There is a mistaken belief that because the support system is to the working mother, not the working family note, the working mother, the support system

can be as minimal as the market will tolerate, and it is to our shame that this can be minimal indeed.

The attitude is she should not be working, mothers ought to be at home. Well, this is debatable and it is not for today.

The fact is that the reality is that she, in her hundreds of thousands is working. The reality is that children, in their hundreds of thousands have to be in some sort of shared parenting arrangement. Regardless of shoulds and oughts, they are owed our best, and it is in our own best interests to see that they get it.

Now, research and my own personal experience, which is fairly extensive, have made it clear to me that two major characteristics of this level of quality care are consistent care givers with requisite skills and knowledge, and involvement of the parent in the major decisions affecting this aspect of the child's life.

With respect to consistent care givers, we know that licensed day cares can be and are costly to run, they are labour intensive, and 80 to 85 per cent of the income should be going to the out to personnel for decent salaries for skilled, trained workers, workers who will stay, be consistent in the lives of children and workers for whom the decent salary represents, relatively speaking, financial stability.

We know that to have the income that will provide those salaries, a day care operation must charge parents more than most can afford. The economics of the market dictates therefore that either cost to users must be reduced to keep the customers, or new sources to supplement income must be found to retain salaries.

Reducing the cost to users reduces income, necessitating a reduction of labour expenditures, thereby destroying access to the consistent skilled staff necessary to developmental quality care.

To maintain this staffing and to keep user fees to an affordable level means two things: an injection of new dollars, and as a necessary and obvious adjunct, an assurance that these dollars are retained in the pool of available income for operation of direct services.

With respect then to the for-profit commercial system and these financial structures.

Commercial operation has, by definition, a commitment to the free market principle of having to make a profit. This is the basis of entrepreneurship. The accountability of a for-profit enterprise is to its client for a product

that satisfies the least possible cost, and to its investors for the best possible dividend on their investment. It is in their interest, therefore, to create a product most acceptable to the market at the least cost. And with children as the raw material for that product, I would submit to you that in being recipients of care based on a minimalist principle, those children would be deprived of the most that they should be in receipt of.

Let us look for a moment to what might be the effects and consequences of poor care.

These in the short run are not always easily visible on location and at the time of viewing. Children cannot always tell us what happens to them. Appearances of environments and descriptive materials can be deceptive, all of which I am sure you will agree are good reasons for insistence on a public open accountability for the involvement of the parent in the decision-making of the day care, for the need to know and inquire what is behind the facade, what is it that children cannot report.

This accountability is unavoidable when all is open to be checked for value and accuracy. In a business, however, outsiders have no role in ongoing inquiry process. In fact, commercial operators have been quoted at being outraged at the suggestion from the Parliamentary Committee Report that they make their books open upon receipt of government monies.

The other method of understanding effects and consequences of good or poor beginnings in the lives of children is to measure the success or failure in the long-term, of people's skills in the workplace, in society, and in schools, and so on. And this, of course, cannot be done for many years, and by then, Mr. Chairman, it is too late. You cannot recall human beings for redesign, using a retool system as you can with cars, widgets or diapers. The omissions in their preparation in the early development are not replaceable, and children are not widgets.

But I have to interject here to say that recently I have had some second thoughts about the recall possibilities after reading the reports in the newspaper about the extensive drop out, and the shock everyone is feeling at the new reports of extensive dropouts at high schools, and the massively expensive literacy programs that will have to be mounted, and it occurred to me that, yes, indeed we do have a recall system, that's it; the pulling back into the training system, the recall of incompletely prepared adults whilst asking ourselves where and how soon should we have started with a different approach.

Now, of course, not to put all this at the feet of an inadequate and educationally impoverished child care system,

but what I would say is that since we do know what children's needs are, and we know a great deal more now, and we do know the relationship between the early years and later performance, and we do know the expertise required, we cannot afford to take the risk of providing less.

We do know that this is costly, so we cannot take the risk of having the use of fewer dollars for operating than are available. We cannot take the risk of allowing any of the dollars to get away.

Now, by definition, a for-profit operation has diverse financial obligations. It cannot put back into the operation all of its income. Some dollars must give away.

In a non-profit operation all the dollars do remain and are seen to do so. The accountability is there.

The dividend on the investment in human development is to society. In a commercial, the dividend on the investment of dollars is to the shareholder.

Now, the entrepreneur indeed has a right to pursue a business on behalf of private monies invested and according to market principles. They do not, however, have the same right using public monies to the deprivation of a quality system and to the benefit of private incomes.

Where the accountability is a private affair and a quality product is not the highest priority, we hear such things as were printed in an article recently from an interview with the president of Kinder Care who made a million profit last year, and he said, "We cannot put in the time with children who have to be taught hygiene or how to eat."

The same article referred to a responsible money market fund, and they quote them as saying, "We would love to invest in good child care, but we are having a rough time finding a way to do it."

Ladies and gentlemen, there is no profit to be made on good day care. Every dollar taken as profit is one less in the pool desperately needed to a money starved service. And government dollars into profit operations is public money into private dividends; a misuse of public money and certainly not cost-effective.

Mr. Chairman, we have a unique opportunity to use those early years of children in their best interests and in the best interests of their families, ourselves, and the whole society. Let us not lower it.

Thank you for your attention.

Mr. Chairman: Thank you very much.

Questions from members of the Committee?

Richard?

Mr. Johnston: I do not have a question. I just want to compliment you on --

Ms. Edwards: I am sorry?

Mr. Johnston: I said I don't have a question. What I have really is a statement that, obviously you work with the Task Force, and it is a superb set of recommendations, I would hope all members will read, has allowed you to really synthesize your thoughts a great deal. It was I thought very articulate presentation of what I see as the problem as well.

Ms. Edwards: Thank you very much.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: Thank you.

Thank you for your presentation and sharing some of your thoughts with us, with this Committee. As you are, we have been deliberating for some time.

I just want to make a few comments. I think over the several weeks that we have been holding hearings, we have heard a number of concerns about the lack of quality care in the for-profit centres. We have heard all those arguments, and we have heard a number of arguments for the non-profit sector. Understandably then, one would argue that all of our resources should be directed in the non-profit sector, and I think it is fairly understood by all that the government intends to do just that; it intends to expand all of the resources expanding the non-profit sector.

I think, however, there is also another question, and I keep raising this because it is a very real concern, there is certainly a case to be made for what we have presently in the province, 50 per cent of the spaces, some argue that it is a little less than that --

Ms. Edwards: I am not sure that is absolutely accurate.

Mr. Cordiano: Let us just say it is rough approximation, say 45 per cent, whatever. It is a fairly substantial number of spaces that are in the commercial sector. We are certainly concerned about what might happen to those spaces.

Some of my colleagues will did disagree and say that those spaces will not disappear. Then I argue about the question of quality, and that quality in those spaces will deteriorate or, in fact, we cannot bring those spaces up in terms of quality to what we have in the non-profit sector.

Ms. Edwards: Or would like to have.

Mr. Cordiano: Or would like to have.

Indeed you can make the arguments in the non-profit sector there is some problems with quality as well.

Ms. Edwards: Indeed.

Mr. Cordiano: In all sectors.

So what we are saying is, how do we get around that problem of maintaining those spaces at a level of quality that is acceptable; in fact, bringing some of those, up to one quarter of the commercial sector, that are below par in terms of quality, bringing those up to quality standards, and ensuring that the people who use those services in the commercial sector are not abandoned, because that is what we will be doing; abandoning all those people who have to use those commercial centres.

Ms. Edwards: Not necessarily. There are two or three things there and they are both very good questions indeed.

Let me take the last one first, Mr. Chairman, is that...

Mr. Chairman: Certainly.

Ms. Edwards: The abandoned children. I do not foresee that a new system will come in overnight and that there will be a closing down of other spaces. Indeed not.

In fact, we have recommended, and I am sure other groups have recommended that the government consider a transition period, supports to commercial operations who would wish to change over the nature of their service, that indeed it be a gradual process whilst all children are being taken care of.

Mr. Cordiano: That is assuming that commercial operators will transfer over.

Ms. Edwards: Will choose to, right.

Mr. Cordiano: Will choose to do that. In fact, some of them may still want to operate as a commercially viable --

Ms. Edwards: Right. Well, at the same time several things will have to happen simultaneously by different groups. To begin with, the provincial government must start immediately talking to the federal government about the new shared costing arrangement. While that is going on, the provincial government can immediately offer some incentives in the form of some capital grants so that new spaces can begin to be arranged for, new space, new locations, renovations, immediately. They will take up and absorb.

Mr. Cordiano: How much? And how many --

Ms. Edwards: Well, I have some --

Mr. Cordiano: See the question --

Ms. Edwards: If you would like recommendation of the figures, I can mostly give you that.

Mr. Cordiano: Okay. Lots of people will say that, but I do not think they really understand the magnitude and the scope of the resources that are required to do that in such a short period of time.

Ms. Edwards: Indeed it is.

Mr. Cordiano: Perhaps you can shed some light on this Committee, with respect to --

Ms. Edwards: Is this the time to go into this, Mr. Chairman, or could I just --

Mr. Cordiano: Sure.

Mr. Chairman: I just want to interrupt for a second for a technical announcement. Everything that is being said is being recorded and they can only record one voice at a time.

Mr. Cordiano: I am sorry.

Mr. Chairman: Mr. Cordiano should know that, but I just wanted to make that information available to you.

Ms. Edwards: Could I ask your name? I am afraid I do not know it and I cannot see it.

Mr. Cordiano: Cordiano.

Ms. Edwards: Cordiano.

So you would like me to give you some figures or a process that would make it possible to facilitate a transition?

Mr. Cordiano: See, we do have at the present time, as I have suggested, some 40,000 spaces in the commercial sector. We do not have any idea as to how many of those centres are run in facilities that are presently owned by the operators. Consequently, what may result is the loss of those facilities if in fact those people remove themselves from the business. We will not have those facilities which will require additional facilities. So there is a number of scenarios that can be worked out.

What I am trying to simply say is that even to create an additional 40,000 spaces to replace the 40,000 we may lose, or something less than that, I do not know, you can look at a number of scenarios.

Ms. Edwards: Yes, people are not going to give up some overnight.

Mr. Cordiano: It is very, very expensive to do that in the short period of time.

Ms. Edwards: Well, if you are replacing spaces with spaces there is the same outlay. If you were replacing 40,000 with 40,000, the cost expense would be in the process, in the procedures that would need to be undertaken to make this change, to effect this change. You are not adding spaces.

Mr. Cordiano: That is right.

Ms. Edwards: So the money in terms of the spaces themselves would be the same.

What would be the expense at that point would be the transitory processes that would have to be put in place to help this to happen.

Mr. Cordiano: Exactly. What I am saying, do we really want to replace spaces with splaces simply because --

Ms. Edwards: Yes, we do, because of the nature of those spaces, yes. If it is necessary indeed to replace, then that is what we must do.

Mr. Cordiano: At whose expense?

Ms. Edwards: At whose expense? Well, the monies, as I have been careful to point out, would need to come from largely the public sector, but shared, at the beginning shared, mostly certainly, with the user.

If there is a direct infusion of 50 per cent of the cost of each space by shared costing through the federal government and the province, the 50 per cent can be picked up by the user. Plus some new capital to open new spaces,

to take care of the big demand.

Mr. Cordiano: Well, let us assume that we do have new capital and let us assume that we are pouring in resources for additional spaces in the non-profit sector. What we would be doing essentially is just replacing one space for another for the next number of years without creating any additional spaces.

Ms. Edwards: Except for the capital for new spaces on top of that 40,000.

Mr. Cordiano: Well, capital for new spaces would be for the spaces that we are giving up as we go along.

Mr. Chairman: Mr. Cordiano, I do not want to interrupt you, but we have a very --

Mr. Cordiano: Mr. Chairman, I really feel that this is important.

The Chairman: Mr. Cordiano --

Ms. Edwards: I would be pleased to meet with you and discuss this.

Mr. Chairman: Just a second everyone, please.

You are into a debate, really, with the witness, and she is asking it as best she can, and I do not think we are going to get any different answer.

Ms. Edwards: Could I meet with you sometime and spend some time on this with you. I would be glad to.

Mr. Chairman: We have a tight schedule and I think we should stick to it.

Mr. Johnston: We would appreciate that, Ms. Edwards.

Mr. Cordiano: I apologize to you personally if I sounded argumentative.

Ms. Edwards: Not at all.

Mr. Cordiano: I was just trying to get to the original question that I had asked.

Ms. Edwards: I would be glad to go over figures and procedures with you, in fact it would be very useful for me, so perhaps we can make an appointment, and I would be pleased to do.

Mr. Chairman: Are there any members of the official opposition that would like to ask questions?

That being the case, we thank you very much for coming forward. It is very interesting, and we will take it into consideration.

Ms. Edwards: Thank you so much.

Mr. Cooke: Mr. Chairman, I think we should all contribute to a fund to send Joe to an active listening class.

Mr. Chairman: Now, now.

Mr. Cordiano: I could recommend a few things for you. I could recommend you to a very good economics class, one of political science.

Mr. Chairman: Let us try to stay on schedule and keep the puck shots to at least belt level, if we can.

We now have Susan Colley. I think Susan is here.

Susan, if you would like to come forward. You know the procedures and you are familiar with the foolishness that goes on here at times. So just identify yourself for Hansard, if you would. And if we can keep the members at bay here so we can hear the witness. (inaudible)

Ms. Colley: I will try.

Mr. Cordiano: We can be a little more impersonal.

Mr. Chairman: Go ahead, Susan.

Ms. Colley: My name is Susan Colley, I am with the Ontario Coalition for Better Day Care.

I would like to apologize for both being late and not having my presentation material available for you properly. I actually had a computer disaster this morning. So I am really sorry for this.

This is a separate presentation from the presentation we made yesterday because I wanted to go through a bit about the statistical assumptions that had been made by the Minister, Mr. Sweeney, and also referred to in this Committee throughout the course of the last few weeks.

Perhaps I should read what I have written.

The Select Committee on Health has now been hearing submissions from individuals and organizations for three weeks. A lot of information has been passed to the Committee from these deputants. The mandate of the Committee is to develop policy recommendations on the future

of commercialization of services such as child care. We are concerned, however, that the Committee does not have a sufficient data base from which to assess the impact and implications of policy. In fact, we are concerned that the information supplied by many deputants is passing into a vacuum.

Liberal members of the Committee have been reassuring deputants that indeed the government is planning to develop a non-profit child care system. Furthermore, they have been asking all kinds of questions about how the loss of 50,000 day care spaces in the commercial sector is going to be handled.

We make this presentation this morning in an attempt to put on record our scepticism about these facts and formally question the statistical base being used by the Committee.

How can the Select Committee presume to develop policy on child care with unreliable and inadequate information about the very service about which they are attempting to make policy.

We would refer the Committee members to information which we understand has already been forwarded to the Committee from the Child Care Branch. This information states that: "Statistics on subsidized enrollment furnished by the Day Nurseries Information System are highly unreliable."

It is our information that you have been advised of the deficiencies in the Day Nurseries Information System, as well as definitions for selected terms appearing on the tables.

We have attempted to advise the Minister of Community and Social Services, Mr. Sweeney, about these inaccuracies on a number of occasions. In response we would have thought that the Minister would have instructed his staff to check the figures that he has been using publicly, but to the best of our knowledge no corrections to this information have been requested or supplied to the Minister.

We would refer you here to the numerous statements by the Minister in the House this winter, including one on December the 2nd, 1986, that: "Roughly 50 per cent of all the licensed spaces were in the province. There were approximately 50,000 spaces in the commercial market and there were approximately 50,000 children and their families in the commercial sector who also have to be considered."

On many occasions he, that is Mr. Sweeney, and members of the Committee have referred to the problem of the 50,000 commercial day care spaces in the province.

To our knowledge, correct figures have never existed except in the form of raw data. Because you and the Minister have insisted on using them, we have now done your work for you. As you are no doubt aware, we have very limited resources available to us, and would like at this time to thank both the NDP and Jeff Solatoroff, a York University student, for their assistance in our research.

First we have outlined below the definitions used by the Child Care Branch and Day Nurseries Information System when collecting licensing information. It is from this information that the current conclusions about the numbers of commercial spaces in Ontario have traditionally been drawn.

If you refer to the brief that you have in front of you, I hope -- do you have this?

Mr. Chairman: No, I do not. I had inquired if there was a brief.

Ms. Colley: I am sorry, I gave them to the clerk.

Mr. Chairman: This is it right here?

Ms. Colley: It would help, because in fact I was going to do some overheads.

Mr. Chairman: I was lead to believe it was not a written brief. Sorry about, Susan.

Ms. Colley: That is okay. It is on an unnumbered page 5.

Mr. Chairman: Is that it?

Ms. Colley: That is, you have got it there. The one that is dark print.

Here you will see the categories that the Ministry uses to collect its information.

Mr. Leluk: It is the unmarked five with the dark print?

Ms. Colley: That is right.

Mr. Chairman: We had assumed that you had a computer disaster, and I think that is partly why we assumed there was no brief.

Ms. Colley: I see.

You probably know this already, municipalities provide

day care services, Indian bands provide day care services.

The other categories are a bit more complicated. First you have a charitable corporation, and that is a corporation without share capital which has objects of a charitable nature, which by its very nature, of course, is non-profit.

Then there is an approved charitable corporation which essentially means that the Ministry has approved the corporation for the purposes of giving capital grants. And similarly with an approved charitable corporation for handicapped children.

Now, all of those categories, I think it is very clear that they are either government, Indian band or non-profit. So we have no dispute with the Ministry's statistics on information collected in those categories.

It is when we move into the three last categories on your page, that there is a lot of confusion. And these are a non-charitable corporation, a private individual and an individual for an unincorporated group.

The reason why we have concern about this is because all of the spaces that are designated to these three categories are classified in the Ministry's records as for-profit or commercial centres. But you will know, I am sure many of you are lawyers, that a non-charitable corporation can, of course, include co-operatives and also non-profit corporations that are not charitable non-profit corporations. So that, for instance, all workplace day care centres are non-profit corporations, but they cannot be given charitable status because in fact they only offer services to a very limited section of the community.

A private individual, here in general I would agree with the province that most people who are in the category of a private individual are in fact operating a centre for profit. But there are some exceptions to that, when you have a private individual that actually runs a day care centre and is doing it on behalf of a parent group or a community group.

Then the the third group, an individual for an unincorporated group. Usually this particular category is used when day care centres are just starting up, and of course it takes a while to get your incorporation papers, so what happens is that the operator is registered as an individual for an unincorporated group.

Now, all of these are in the commercial sector.

In the last few days I have had discussions with EC Consultants in the entry northern region who have told me

that they only put non-profit day care centres in this category. Whether that is true in the rest of the regions, I am afraid I have not had time to research, but I am sure it is a question you could ask of COMSOC.

So, therefore, we have had to recalculate and take a much closer look at, well, what do these categories consist of then.

I would then turn you to my confused, very confused table on unnumbered -- you will see it actually. It is that one. I am afraid I have muddled the columns up, but if you would like to take a look at that.

What I have attempted to do is list COMSOC's numbers of the facilities that they have registered under a certain category, and the number of spaces, and then I have looked at the Ontario Coalition estimates.

I should say that what we have done is with regard to an individual for an unincorporated group and a private individual, we have no way of knowing this. The province obviously has that information. But the province actually did a survey a few months ago of their own computer system to try and figure out which of those categories might include parent boards, and they came up with the figures that you see here that we have used. We have accepted their estimates of that. I think they would agree that they are not necessarily reliable, but we have no way of knowing either. So we have accepted their estimates.

With regard to non-charitable corporations, what we did was look at all of the corporate -- what do you call them -- the file documents of corporations, and looked at the incorporation papers, and have gone down through every single one and figured out which is commercial and which is non-profit or co-operative. Those figures you will see are quite significantly different than the province's figures. I will read you that line because it is confusing. I am afraid I have not put them in the right columns.

COMSOC says there is 450 non-charitable facilities. We found 244.

COMSOC says they are 20,715 spaces in that facility. We found 15,684.

You will see in the final column I have calculated the differences in the estimates by COMSOC and the estimates by us through this process.

Now, I am not claiming obviously with our limited resources that in fact ours are absolutely a hundred per cent accurate statistics. All I am saying is we have used the COMSOC figures and we have gone through and calculated

manually all of the non-charitable corporations, and I think our statistics are a lot closer to the truth than you will find the COMSOC figures are.

What this produces is essentially a shortfall of 9,919 spaces, 10,000 let us call it.

When you actually look at the total spaces, which is 79,081, 43,726 of them are estimated to be commercial by COMSOC, 50,000 by Mr. Sweeney, and 33,807 by the Ontario Coalition. So here we have a discrepancy of 10,000 between Ministry figures and our figures, and 17,000 between the Minister's figures and our figures. Now, 17,000 is 20 per cent less than the amount that actually exists, which we think is a very significant difference in a sector of parents and children.

I just would really like to urge you at this point to essentially --

Mr. Chairman: Excuse me. Mr. Jackson has indicated he does not understand what you are doing there.

Mr. Jackson: It is very good, but you are going very fast. Just if I could catch that 50,000 figure, I did not quite understand. Was that a statement that the Minister made?

Mr. Chairman: That is right, in the House.

Ms. Colley: A number of statements the Minister has made, yes.

Mr. Jackson: And he said that was around 50,000?

Ms. Colley: Yes.

Mr. Jackson: Whenabouts was that?

Ms. Colley: He made a number of statements to that effect. That was December the 15th and January the 23rd.

Mr. Jackson: What in his mind was he making a statement about?

Ms. Colley: The number of commercial spaces in Ontario.

Mr. Jackson: Okay.

Mr. Chairman: I might as well, Mr. Jackson, that a good deal of this material was provided in the briefing, and at the time I think Cathy indicated that she could not shake out what was identified as profits, she had three categories. Is that right?

Ms. Fooks: What we did is we had the same problem, these numbers are very odd, so we went back to them on a number of occasions to try and define what they were calling commercial.

The real one that we had trouble with was individual for an unincorporated group, which eventually they gave us in writing as being a mix. They said they felt the majority of the operators in that group were probably for-profit, but they could not pinpoint it.

So we separated those figures out completely from the non-profit for-profit mix and called it "other", because we simply did not know.

In fact, our figures, which the Committee does have, and I did give them to you on the first day of the public hearings, I do not know if you still have them with you or not, correspond much more closely to the Coalition's than they do to COMSOC.

In fact, when COMSOC sent us the material, they gave us about a five page memo on the problems that they themselves see with their own information system. We did try and explain that at the time, but I think it got lost.

Mr. Jackson: On the second point of confusion --

Mr. Chairman: I am not sure the first one was a point of confusion.

Mr. Jackson: I was confused.

The facilities and numbers of spaces.

Ms. Colley: Yes. I will have to redo this table. You can see what I have done half way through, because of the computer disaster, I have used the wrong columns.

Mr. Jackson: That is what I thought.

Ms. Colley: So against Municipal Corporation, where I have got OCBDC, I have actually put the COMSOC space estimate.

Mr. Jackson: I may not get them correctly, but I want to work with this. So the Municipal Corporation, the 8,318 and the 171 should be reversed?

Ms. Colley: That is right.

Mr. Jackson: So should the 8,076?

Ms. Colley: That is right. And the 49.

Mr. Jackson: Twenty thousand and the fourteen?

Ms. Colley: Yes.

Mr. Jackson: Thank you. Now it makes perfect sense to me .

Mr. Chairman: Go ahead, Susan.

Ms. Colley: I just really want to wind up by saying essentially that we frankly do not think that we should have to do this work. We think the resources should exist within the Ministry to be able to do it.

I think it is really important if we are talking about developing -- we are talking about developing child care policy. We have got to know what we are talking about, how many spaces there are, whether they are commercial or non-profit. I cannot see how the government can do any kind of accurate estimates of cost, of transition, without that kind of information.

I do not think it is that hard to get ahold of. I think that, quite frankly, all the Ministry would have to do is send a very short, clear survey around to all the day care centres and ask them within ten days to please return it with the relevant information. I think that would be a very simple thing to do. That is all.

Mr. Cooke: Could I just ask a point of clarification on the figures?

Mr. Chairman: Fine, Mr. Cooke.

Mr. Cooke: On the 9,919 overestimation, you talked to day care consultants in the Metro area?

Ms. Colley: No. The way it was done, in terms of the three categories, the private individual and the individual for an unincorporated group, because there is some overlap there, COMSOC themselves estimated what percentage of that would likely be a parent Board. So because we had no way of figuring that out, we accepted their estimates. They may be conservative. They are not going to be over the top because I am sure that the way they did it was to figure out which ones had some kind of name in the title that would have indicated --

Mr. Chairman: Actually I think they did it on the type of license, and that is part of the problem, you cannot pull it out, you cannot identify it.

Ms. Colley: That is right.

So that was how we got those figures.

The other figures for the non-charitable corporation, we actually went through the corporate records with the assistance of the NDP and a student, and manually looked at all the microfiches of 450 centres and wrote down which were commercial and which were non-profit or which were co-op.

Mr. Cooke: For which ones have you mentioned in your presentation, you have consulted with the consultants?

Ms. Colley: Yes.

Mr. Cooke: On which figures were any of that based?

Ms. Colley: On individual for an unincorporated group, all of the northern consultants, when filling in their forms, and they have to signify what kind of status that day care centre has, they only put non-profit day care programs into the category, individual for an unincorporated group. Everything else they either put in non-charitable corporation or private individual.

So in terms of the north, then, all of the numbers that would be in individual for an unincorporated group would in fact be non-profit.

Mr. Cooke: So if anything, this could be a significant underestimation.

Ms. Colley: I think it is conservative, yes. I definitely have not inflated the figures.

Mr. Chairman: Mr. Johnston and Mr. Cordiano, and I do not know whether anybody -- perhaps I could find out beforehand, because we are trying to stay on schedule.

Are there any questions. No questions from the conservative.

Mr. Johnston?

I might remind you, as you all know, we had Susan here yesterday, so I do not want to limit the questions, but I would think you have asked her a great deal of questions already.

Mr. Johnston?

Mr. Johnston: Thank you.

Now, as I understand it, just to be clear so we are not worried about the partisanship in all this, that we provided you with some lists and means of searching corporations, and the student from York did the work

essentially on a placement.

Ms. Colley: Yes.

Mr. Johnston: We did not do any of that work for you.

Ms. Colley: No.

Mr. Johnston: In case people are worrying about it being coloured.

We just thought it might be useful to see if we could provide some of the raw material there, to see if somebody could actually pull out a clearer idea of what these definitions actually mean.

Ms. Colley: That is right, yes. I just wanted to thank you for doing it, it was a great help.

Mr. Johnston: You are welcome. I am glad we did, because this will no doubt make Mr. Cordiano much, much more at ease, I would think, knowing now that there is a smaller section of profit making groups that he has to worry about suddenly disappearing, or whatever his fantasies are about the problems they are going to have in the next little while.

Mr. Chairman: Just going to throw us off there, Richard.

Mr. Cordiano: I won't say anything. (inaudible)

Mr. Johnston: Just to clarify the information we have here. We have an estimate of approximately 17,000 fewer for-profit spaces than Mr. Sweeney continually talks about?

Ms. Colley: Yes,

Mr. Johnston: And about 10,000 less than the COMSOC usually talks about.

Ms. Colley: Yes.

Mr. Johnston: And it may be more than that, depending on what the south does with the individuals who are unincorporated groups?

Ms. Colley: Right.

Mr. Johnston: Okay. I guess that is all I really want to know, is a clarification on that. It strikes me it gives us wonderful ammunition to chat with you on Monday in detail about this, Mr. Cordiano.

Mr. Cordiano: I am looking forward to it.

Thank you, Susan.

I want to refer to the report that was done by the federal government sometime ago, where they had made some errors in the estimates for Ontario. They essentially reported that we had some 48,700 spaces in the profit sector, and some 39,000 in both the public and non-profit, which I think you have listed here.

Ms. Colley: How Many?

Mr. Cordiano: Thirty-eight, 39,000.

Ms. Colley: Thirty-nine thousand?

Mr. Cordiano: Yes, in the public and non-profit together.

Ms. Colley: That is right.

Mr. Cordiano: That is close to your figure here that you use.

We indicated to the federal government that they made this mistake. Our figures for both profit and non-profit are different. The correct information at the time was 36,000 in the public and non-profit, and in the profit it was something in the order of 37,224, to be exact. Now, that was at some point in 1986. I do not know at which point. I think there was a fiscal year end, or something like that, and I do not think it went to the calendar year end, and that was just an extrapolation, I believe, of what was taking place in terms of the growth in both of those sectors. I am not quite sure as to when that figure came out, that 1986 figure.

Ms. Colley: It was figures produced for Howard Clifford's National Health and Welfare Day Care Statistics.

Mr. Cordiano: These are figures that the Ministry has, that is what I am saying.

Ms. Colley: Yes.

Mr. Cordiano: Therefore, what you are saying, according to your figures, we are off by about roughly 3,000 on the number of profit spaces.

Ms. Colley: Then I would say that the Ministry cannot count, because definitely, according to my calculations -- I mean, I was provided with a memo by Kay Eastham in September 1986, and I think everybody was using the figure of June 1986 as a collection date. The figures are 43,726.

Maybe what they did was take out part time spaces to produce the 37,000.

Mr. Cordiano: That is what they did. That was my next point.

Ms. Colley: But how they have done that is another question.

Mr. Cordiano: There are half day spaces and there are spaces for the handicapped, and there are a number of half day nursery programs, which when lumped together bring it up, bring those totals up, the total number of spaces in the province.

Now, we do have some problems, I am not going to argue with that, okay, because these are the figures that were compiled for a number of years, and the system set up for that. We recognize that there has to be a change in that system.

But I think the Minister at that some point had said -- I just wanted to correct here. I do not believe he said 50,000, and if he did he was probably referring to 50 per cent as the figure that he was using, that I have thrown around in this Committee. And it is really 50 per cent that he was getting at, not 50,000. I do not know if that was clear or not. But the figure that we have always been using is the 50 per cent figure, roughly 50 per cent.

Ms. Colley: Well, it must have been a slip of the tongue. I think if you check the record, you said 50,000 a number of times and certainly Hansard --

Mr. Cordiano: I have personally?

Ms. Colley: Yes.

Mr. Cordiano: No, I have never said 50,000. I will check the record, but I have always said either between 35 and 40,000 and I have said 50 per cent. I have always maintained 50 per cent, and something less than that. I have said approximately. But I have never said 50,000 spaces because I know we do not have that many spaces in the province. That is fit to be 50 per cent, which would be a hundred thousand spaces, and I know we do not have a hundred thousand spaces in this province, not yet anyway. We will get there.

Mr. Johnston: I cannot believe somebody else is taking on the Minister. You have got leave John alone. I mean, it is bad enough me attacking, but you say that you think the Minister does not know what he is talking about. He talks about 50,000 spaces.

Mr. Cordiano: Now, there is a case of not listening properly. Do you want to send him to the same school you were going to send me to?

Mr. Chairman: We are going to cut you off on time, Richard.

Mr. Cordiano: Give him that address, will you, and the phone number.

Mr. Johnston: Didn't you say that he was well-informed, that 50,000 spaces isn't well-informed? That is what I thought I heard.

(Interjection)

Mr. Chairman: Mr. Cordiano, I gather we were pretty close to wrap up here.

Mr. Cordiano: I just wanted to make that point, that we essentially use 50 per cent as a figure, indicating the number of commercial spaces. And we always say it is a rough approximation, and that has never been questioned.

We do acknowledge the fact that we do have difficulty in determining the number of spaces, and this is why we say it is an approximate 50 per cent figure. The point is, it is quite significant. That is the point we have been trying to make in this Committee, at least I am.

Ms. Colley: If I may reply, I think it is incumbent on a Minister of the government to supply correct information to the public, otherwise it becomes alarmist. And I think that is certainly what has happened as a result of this particular statement that is being made about 50,000 children, we are actually talking about less children -- I mean, unless we want to have a public debate in the press about statistics like this, which of course we do not, and the press certainly is not interested in doing that, then it means that we have no way of actually discussing the facts of the matter to the public.

Mr. Cordiano: Well, I am just acknowledging to you that there really is not that much of a discrepancy between what you have suggested --

Ms. Colley: Seventeen thousand spaces is not too much of a discrepancy?

Mr. Chairman: Again, Mr. Cordiano, with respect --

Mr. Cordiano: I just feel that it is necessary to point out the facts.

Mr. Chairman: It is necessary. But all you are

doing, if you could realize that the witness is not going to agree with you the longer you ask.

Mr. Jackson: The Conservative Party waived its questions because in no way did it feel that it was necessary to go beyond the report and embarrass the Minister. If Mr. Cordiano wishes to continue on that line, it is not fair to the Minister and he is wasting the Committee's time.

Mr. Johnston: The Minister is not here to defend himself to these unseemly attacks.

Mr. Cordiano: I really did not understand one word of what you said.

Mr. Johnston: Then I think you have no bearing on this conversation.

Mr. Chairman: Do you have any further questions, Mr. Cordiano? I do not want to cut you off, but --

Mr. Cordiano: No, I do not, Mr. Chairman.

Mr. Chairman: Okay. Thank you very much, Susan, you have come forward and given us information which I think will be of great value. We will get on with the next delegation.

Peel Lunch and After School Program, Sylvia Leal and Jenny Miller.

Is there a written brief?

Ms. Leal: Yes, there is.

Mr. Chairman: Has it been previously circulated?

Ms. Leal: Well, actually I understand that we were requested not to submit it, and I only realized that this morning, because my presentation is based on you having some information. It is not that significant because I can cover that very briefly. But I would prefer -- well, you may have it now, if that is what you wish.

Mr. Chairman: I am sorry, could you sit down.

Ms. Leal: My preference would be to do the introduction and then to circulate it to you, if you are in agreement with that.

Mr. Chairman: That is fine. Is the video the start of your presentation? Perhaps while we are set up that video we could start.

Ms. Leal: Certainly.

Good morning, gentlemen. I am very pleased to represent the Peel Lunch and After School Program.

I am the Executive Director, and Jenny Miller is our Public Relations and Fundraising Coordinator. My name is Sylvia Leal.

The reason I am here this morning is to talk about managing the delicate balance between quality, affordability and accessibility in school age day care.

The Peel Lunch and After School Program has been operating for the twelve years in the region of Peel, in Brampton, Mississauga, Caledon. We currently have 4,923 school age child care spaces, we service 2,724 families, and 3,282 different children in those spaces. We operate 214 programs, and the breakdown down is 76 before school programs, 59 lunchtime programs, and 79 after school programs.

We also offer programs, trips away from the school on all professional activity days. And we have an average of 1,000 children attending those trips for each PA day. Some of those are broken down by area.

The program was established and came about after a demonstrated need in the region of Peel for school age child care, and it started out with after school programs only. It was a collaborative effort in the beginning, and we incorporated in 1980 as a non-profit charitable organization.

What I would like to do now is to show you the video which will explain a little more about the Peel and After School Program, about the services we provide in the region of Peel and how we go about doing that.

Mr. Chairman: We are now at the stage of the video, I gather.

Ms. Leal: Yes.

(Video Presentation)

Mr. Chairman: Well done, very well done.

Ms. Leal: The program operates in the elementary school, as the video says, and that is one of its major strengths, it is local, it is right there, the children do not have to leave the school.

Our purpose is to provide that care in every school where there is a demonstrated need in our region, at an

affordable cost.

My purpose in being here today is to share our model with you as a viable alternative in the non-profit sector.

The requirement, as we see it, for school age children is to provide a place where children want to be. Preschoolers will go where the parents put them.

When children reach school age, if they are not happy, if they are not contented, if they are giving the parents a hard time, then parents will make other arrangements, sometimes it is to let them go home alone. So our task is to provide an environment where they want to be, and that provides support to families often before they each reach crises.

Now, the philosophy of the Peel Lunch and After School Program is to meet the needs of the children, the individual children in the program by enhancing self-esteem. That is our mandate, and that is true for our staff people also. We believe that for the children to be in an environment where their self-esteem is going to be enhanced, our staff have to know and understand themselves and understand what self-esteem is all about. That is our basic philosophy.

We believe we achieve quality by hiring, training, motivating and fairly compensating our staff.

Now, the packages, I believe, have been circulated to you, and you will find additional information in there. I am not going to refer you to it at this time; you can read that at a later date.

We measure the quality in our programs from the use of the program, the feedback we get from the Ministry of Community and Social Services, who feels that we surpass the standards that they set, the reputation in our community, we have a very high profile and we are very well supported.

We work in collaboration with both Boards of Education. We do not pay for the space that we use in the schools, and we have access to courier systems, et cetera, through the school systems, ordering our supplies, et cetera.

Now, our only focus is school age child care, high quality school age child care.

The funds, we are totally self-supporting from the fees that parents pay. We only raise funds for special projects, and we have incentive funding from the Ministry of Community and Social Services for the past five years to help us establish new centres. And that amounts to approximately one per cent of our total budget.

Now, all of the funds raised goes right back to the program. In fact, the way we operate is that everything we do within the Peel Lunch and After School Program, is directly related back to the bottom line, which is to provide high quality care, whether it is an accounting function, secretarial, a public relations function, a direct program function, it relates back to that bottom line. That is why we are in the business, in the non-profit business of providing school age child care.

We also know about our quality from the parents and from the children. When we hear from parents constantly that children do not want to leave at 6:00 o'clock then we feel we are doing something right. When we have got waiting lists, we are not happy about that, and wherever we can we open new programs. But we know that we are doing something right.

The cost of the service is approximately \$1.60 per hour, it is based on \$1.60 per hour. Fees are paid monthly, and they are established annually to cover the operating expenses.

The way we put our budget together is to look at what we want to achieve, what quality of service, how much we feel is a fair rate of pay for the staff, the training we want to initiate, et cetera, et cetera, and then we establish the fee when we have done all that.

We do not look at what can parents afford, what can we charge, and then work it back the other way. We have found for the past twelve years that that has definitely worked to our advantage. We feel that a \$1.60 an hour, that is a competitive rate.

Subsidy, now the membership has approved that one per cent of the annual fee revenue be allocated to a subsidy fund, to enable children, families who cannot afford to pay the full fee, to be able to be in the program.

We also raise funds from service clubs to supplement that amount.

The accessibility is something I know that you are very concern with. We are accessible. We are right in the child's local school. We want to be in every school in Peel where there is a demonstrated need, and we have experienced approximately a 20 per cent growth over the last five years so that we can go into those schools.

Now, Peel is a growing region, so as new schools open, we usually get into those schools immediately.

The parents call about programs. Now principals are

calling us to establish programs in their schools. So there is knowledge of the program.

This video was made to create an awareness among parents and principals of the availability of the program, but also the need. As you saw from the children in the program, often are in an environment that they are not comfortable with, but they know the stresses that their parents are under and do not want to add to that frequently.

Our goal is to be in all goals in the region of Peel in the next five years where there is a demonstrated need. There are very few schools that do not have a demonstrated need. We believe that we can obtain that goal.

I am going to finish there and see if you have any questions.

What I would like to finish on is saying that I do believe our strengths are that we are non-profit, we focus only on school age child care, there is no funnelling or channeling of funds to any losing program of any kind. There is parent involvement, we have a ten member Board of Directors, and five of those, a minimum of five each year are parent representatives.

Currently we have eight people on our Board, five of whom are currently parents, and three of whom have had children in the program who have graduated from the program.

The other strengths is that it is a collaborative effort. We work in cooperation and in collaboration with the Ministry of Community of Social Services and both Boards of Education.

Finally, the fact that we operate like a business. We are not in business to make a profit. But we are in business to obtain excellence in everything we do, and that is our focus and that is our goal. And I believe that that has worked. This is an excellent model. We have requests from across Canada to help people establish this model in other areas, in other communities, and we have been able to give support locally in London and Halton, and also in Nova Scotia and New Brunswick.

Thank you.

Mr. Chairman: I have Dr. Henderson, Mr. Johnston and then Mr. Jackson.

Dr. Henderson: Thank you, Mr. Chairman. I think my questions are straightforward and relatively brief, the first one least perhaps so.

How are the criteria of demonstrated need, for

example, what schools would not have a demonstrated need?

Ms. Leal: Demonstrated need would be when we advertize, we advertize widely in Peel, we would respond to phone calls that we get from parents and from principals.

Dr. Henderson: So it is a school whose parents or principals do not call or do not call in any numbers are taken not to have a demonstrated need?

Ms. Leal: As we work towards our goal of being in all schools, we are working on the ones that do call, where there is a demonstration.

One phone call could be a demonstrated need and then we would move in and do a survey in the school.

Dr. Henderson: You may have covered this but I did not quite catch it, is there one Board for each school or one Board for the whole program?

Ms. Leal: One Board of Directors for the entire program.

Dr. Henderson: Is that a good arrangement or do you think there ought to be a Board for each school or a Board for a small group of schools?

Ms. Leal: When I started with the organization nearly ten years ago, at that time our belief was that it would be better to have a Board for each -- or at least a parent committee for each centre. Experienced proved that because we are dealing with working parents, that many people just did not have the time to get involved. So we moved to the model of one Board, and it is our belief that that is a better model than having a Board for each school because there is more continuity, it is less expensive, there is a centralization of costs and expenses.

Dr. Henderson: One of the comments that Mr. Johnston, who just left, makes from time to time is that there is a risk of the professionals becoming too powerful. It occurred to me that one way of checking that would be to make sure that each physical place has its own Board, but you would not feel that to be necessary?

Ms. Leal: I would like to understand a little more about what he means about the professionals, and who the professionals are becoming more powerful would mean.

Dr. Henderson: Well, I am sure he will be back in a few moments and he might want to talk about that.

Could you have comment on the average pay and the typical training of your workers?

Ms. Leal: Yes. The pay for our staff for this coming year will be a minimum of \$7.25 per hour, with a maximum of about \$10.50 per hour.

Dr. Henderson: Could you translate that into annual? My brain is tuned to annual salary.

Ms. Leal: I cannot at this moment. But somebody around here has a calculator, I am sure they...

Mr. Jackson: It is a partial day compensation, it is a partial day compensation, with part-time work in most cases, is it not?

Ms. Leal: Well, the majority of our staff, two thirds of our program staff would work for a 35 hour week, yes, they would. And so, therefore, that would be full-time for those people.

Now, they do work only during term time. They do not work during the summer months or Christmas and March break and they do not get paid for those times at this moment in time.

Dr. Henderson: So it would be 16/18,000?

Ms. Leal: Approximately.

Dr. Henderson: And the training?

Ms. Leal: The training, all of our staff have to hold --

Mr. Chairman: Excuse me just a second. I think these questions are all answered in the brief. I do not know whether you were aware of that. You have a copy of the brief in front of you.

Dr. Henderson: What I was wanting to get at, and maybe I will get it at it more directly if I can just have one final question, Mr. Chairman, I was trying to work out whether the kind of salary that is being paid generally, and I do not mean to single out your program, but on the other hand why not not, since you are here, whether the salary in comparison to training is fair given what teachers make in relation to their training, and perhaps some other categories of people that one can think of, or whether your workers are underpaid relative to what teachers make in relationship?

Mr. Chairman: You do not want to ask that, I do not think, Doctor, because it may cause unrest in the Peel Lunch Program.

Ms. Leal: Last year we had a compensation study carried out by Stevenson and Kellog, and our findings were that our staff were underpaid in comparison to some other groups.

Now, we have made moves towards getting those people in line, and we feel that our staff -- our staff are trained, we developed our own training programs over the last number of years, and went to the community college with that training package.

Now, they have to have introduction to leadership, principles of administration, and we have a internal course called Positive Caring for Children, and all of our staff have to have at least those three courses.

We feel that, yes, during the next three years we will be moving the program staff salaries upwards to a level that we consider to be more fair than it currently is, and in line with their training, experience and knowledge.

Mr. Chairman: Dr. Henderson, Mr. Jackson has a supplementary.

Dr. Henderson: I have had enough questions.

Mr. Chairman: Are you sure? Okay.

Mr. Jackson?

Mr. Jackson: Actually, I was trying to formulate a supplementary with respect to the increase in compensation that maybe anticipated, and yet what percentage of the funding is from fees?

Ms. Leal: Of our funding?

Mr. Jackson: Yes.

Ms. Leal: One hundred per cent.

Mr. Jackson: Okay. So there is an expectation out there within the community that the rates are going to be going up as a function of the salary equity?

Ms. Leal: Yes.

Mr. Jackson: Okay. The reason I am interested, I have quite a bit of experience with before and after lunch programs because I developed the first ones for the Halton Board when I was a trustee for ten years, and you were very helpful in us getting that point across to our Board then.

We had a lot of resistance from teachers and principals. Our vehicle was the YMCA in Halton. But we had

a lot of resistance from the teachers and principals because of the space usage issue, and this where I would like to focus some of my questions to you.

Are you using existing classrooms or surplus classrooms and to what degree are you using them? Because there is a distinct difference between you using your program and then dismantling it so the regular classroom can then start and then conducting the lunchroom because we do not have cafeterias in our elementary divisions, in either system.

Ms. Leal: There are very few surplus classrooms in Peel. So the majority are in existing facilities. But they are not necessarily a regular classroom.

Mr. Jackson: They are all in schools?

Ms. Leal: They are all in schools.

Mr. Jackson: Does Peel have a junior kindergarten currently?

Ms. Leal: Not for this September. The Separate Board does, but the Public School Board, next September, in September of 1988, will have junior kindergarten.

Mr. Jackson: What impact will that with respect to the threshold which has now dropped down, the watershed I guess, between those kids who are currently utilizing community day care services who are now entering a modified school day under their junior kindergarten program within the context of a school setting. Have you look at the numbers and the impact? I would be very interested to see how the Board would make that transition with a before and after, home base support group.

Ms. Leal: We are in the process of looking at those statistics. We do not anticipate a major increase in enrollment due to that, because most parents need care for the other half of the day.

Mr. Jackson: That is leading into my next question, because that was something that we tried to do and it was to quantum a leap for my Board at the time. But I still remain committed to that other half of the day as an experience, and I wondered if there is any consideration being given to that. The reason I ask the question is because before and after is evolving into more and more and more, at least in the example of the highly defined kindergarten or junior kindergarten program, it is involving into an extension, but it is basically day care with a heavy and supported academic program with it. That is basically what you are ending up with in the before and after program, you keep the child in school for the afternoon and provide the program in the

afternoon.

Ms. Leal: Well, if I understand you correctly, our program is not an academic program. I would just like to clarify that, because that is one of our major concerns. It is a recreation program.

Mr. Jackson: Activity based.

Ms. Leal: There are very different models.

Mr. Jackson: Yes.

Ms. Leal: There are after school programs that are educational. The children came Monday for macrame, Tuesday for volleyball; that is is not our program.

It is a child care program. Our focus is to meet the needs of those individual children after school, to create an entire break from the school day; all our training is around that and that is our focus. Because we believe that children have been in a structured enviroment for the entire day. That is not what they need.

We want to create, I suppose, a home away from home; an environment with a caring, nurturing person that is trained to meet the needs and to recognize what those needs are, and to help that child's feeling of well-being and self-esteem.

I know there are various models, and many years ago the Y Program, what was called The After School Program, was an activity program. The children registered Mondays for an activity, Tuesday for a separate activity. That is is not our program. That is that is not the Y's first base program either. The first base program of the Y is different from their --

Mr. Jackson: I agree with what you are saying. Except when you made the description, you were describing essentially the function of a primarily division teacher. You could have replaced the two when you talked about the carrying and compassionate environment, with an understanding of needs, and extending that into activities.

Ms. Leal: Yes, and I didn't get into --

Mr. Jackson: My final question, Mr. Chairman.

Mr. Chairman: Very brief, because as you know, we are trying to accommodate the --

Mr. Jackson: I appreciate that, Mr. Chairman, but the official opposition has waived off his questions in courtesy.

Mr. Chairman: I realize that. We have accommodated your caucus in terms of their retreat as well as the NDP.

Mr. Jackson: All right. Thank you very much. It is an excellent presentation.

Mr. Chairman: If it is a short one, fine. A short question?

Mr. Jackson: My very short question is, you know the purpose of this Committee's inquiry, and this is sort of on the periphery and relevant, but not the main stream of the point we are after. The question has been raised several times: Do you feel that day care models should be more closely aligned with the Ministry of Education and education programs, because that is basically the mainstream of your activity? Can you tell us if you think day care generally, as someone who is right in the middle of that debate, because you are neither one nor the other.

Ms. Leal: It is a question I am always reluctant to answer.

Mr. Jackson: Okay.

Ms. Leal: But I will very briefly comment on concerns that I have. And it really relates to the point that you just made.

Teachers are teachers, educators are educators, and child care workers are child care workers. And I think they are many, many differences.

I would not wish to see children going from the classroom into another structured educational environment. I am not saying our programs are not educational.

It is possible, I am sure, for there to be more collaboration between the Ministries of Education and Community and Social Services to come up with a model.

My concern is that if we have teachers, elementary school teachers providing school age child care, we are not going to have school age child care. We are going to have something else, and I do not know what that something else is.

I have a background in teaching, as well as early childhood education, as well as in social work and community work. My own family is grown up and they are in university. But I have a tremendous concern for the need for children to be nurtured and cared for and supported both in the classroom and in the day care centre, to develop their personal work, their sense of self-esteem, and there is not

time for that in a regular classroom quite often. Then you get into ratios and all kinds of other things. So that would be my concern.

But I am sure with sensitivity, something could be developed. Certainly the schools are there, and for school age child care I think should be the focus.

Mr. Jackson: Thank you.

Mr. Chairman: I am glad I let you ask that question. I think the answer was good.

We thank you very much for your presentation, particularly the video I think was excellent.

Ms. Leal: Thank you.

Mr. Chairman: We will certainly consider these items as we prepare our interim report. Thank you very much.

Ms. Leal: I am being asked a question.

Mr. Chairman: You can have a chat with her outside, Mr. Leluk. Thank you very much.

We have one more group, then we have a briefing as you know from the Inspection Branch, and for that reason we are going to try and constrain this to accommodate as we did the official opposition, we accommodated them with their caucus retreat and we are going to do the same with the NDP. We are going to try to wrap this this up by 12:30.

Ms. Ion, would you come forward please?

You have been here sufficient times to know you identify yourself for Hansard.

Ms. Ion: Good morning, gentlemen. My name is Sam Ion, I am President of the Ontario Advisory Council on Women's Issues.

With my I have Sandra Kerr, who is the Vice-Chair of the Council.

In 1973 the Ontario cabinet created the Ontario Status of Women Council, to advise the government on matters regarding women.

There are fifteen members, including myself and Sandra, all of whom are appointed by cabinet on a part-time basis for three year terms.

Members come from all over Ontario and reflect a wide range of opinions.

Council's mandate is to advise Ontario's government on matters pertaining to women through the Minister responsible for women's issues, to monitor and assess existing legislation, policies and programs for women, to identify specific areas for the government's attention, and recommend legislation and program changes to meet with women's groups throughout Ontario and hold public forums, to advise and consult with the Minister responsible for women's issues.

May I begin by quoting from the report on the task force on child care.

We believe the report says that child care is the social policy issue of the decade. The Ontario Advisory Council on Women's Issues is committed to the belief that the availability of child care is an essential service, if women are to achieve full equality within our society.

"Child care is recognized as a basic public service." This was the bold statement of Treasurer Robert Nixon in his '86 spring budget. The women and children of Ontario are waiting for action to give credence to those words.

Quality child care is expensive. It is a labour intensive service which requires trained workers with a high level of commitment. An enlightened government which is moving strongly towards pay equity must find a way to properly reflect the value of work done by child care workers.

The low wages paid to child care workers costs us dearly in the end. On an average, 60 per cent of early childhood educators leave the profession within two or three years. What a waste of training dollars and human potential. What a detrimental impact this high turnover must have on both the programs and on our children.

Child care workers are trained professionals, and the lack of monetary recognition for their years of training is appalling.

We applaud any move to improve the salary levels of child care workers and to increase the availability of affordable child care. However, we urge extreme caution in any move to provide funds to commercial child care centres. Ontario must avoid the pitfall that Alberta has fallen into, where in spite of direct grants, salaries of child care workers in commercial centres are at the minimum wage level. Fees remain high and grants only increase the profit levels of the owners.

Our Council recommends that direct grants be provided only to non-profit centres. If the Ontario government is committed to its stated belief that child care is a basic

public service, then any new expenditures out of the public purse must go to public and non-profit sectors.

We recognize that in many areas of the province, privately owned day care centres are the only ones in existence. The argument has been made that to eliminate these centres from the benefits of grants may, in effect, close them down, and worsen the situation for families in these regions. This is a specious argument at best since at present, only ten per cent of the children requiring care are actually being served by the system. The Ontario Minister for Community and Social Services recently stated Ontario needs a hundred thousand new day care spaces.

Now, demand for child care is a growing one, and in reality cannot be met by the public sector alone for sometime to come. We suggest that the commercial centres wishing to take advantage of direct grants, be given a three year transition period during which to convert to non-profit status.

Ms. Kerr: Sandra Kerr.

The Ontario Advisory Council on Women's Issues strongly recommends that the Ontario government show leadership by introducing a provincial Child Care Act. This would not only enunciate a philosophy for child care in Ontario, but would provide a comprehensive system designed to increase the accessibility and affordability of high quality child care. The Act could set standards for programming and staffing at centres, regulate qualifications for child care workers, provide licensing and accreditation for home based child care providers, and allow special measures for shift workers and families in rural and isolated areas. Such an Act would ensure an acceptable level of child care, regardless of which options parents may choose.

Ontario cannot and must not wait for direction from the federal government. Time is of the essence.

Child care is in a crisis situation and requires intermediate action.

The recent recommendations by the federal Special Committee on Child Care have done virtually nothing to increase the availability of child care spaces. It is a national disgrace that in 1987 we are still wrestling with the question of how to fund this basic human service.

Canada lags behind almost every industrized nation in the provision of child care. It is incredible that we who believe in the value and benefit of publically funded medicare and education, continue to have a blind spot when it comes to the care of the youngest members of our society.

It has been stated that child care is the responsibility of parents alone and the government should not be expected to play a role. However, we widely accept and expect government to intervene in the case of physical abuse of children. The potential for social abuse of thousands of children exist in a system which provides inadequate and poor quality child care. Do we not have a collective responsibility here? As the saying goes, we can now or pay later, but pay we must.

Let us not continue to pretend that family structure is what we idealize, but recognize the reality that seven out of ten mothers are working and the children must be cared for. We are not talking about a disposal commodity, but of the welfare and lives of our future generation. People will be sitting where you are today and perhaps making similar decisions on how or whether it is necessary for society to care for its elderly. You may wish to consider that when you are looking at the nursing home issue.

The existing cost sharing arrangement made between various levels of government encourages a social welfare orientation to child care. This orientation has a negative impact on both the perception and the availability of child care.

This Ontario Advisory Council on Women's Issues urges the Ontario government to lead negotiations, moving the funding of child care from a welfare mode to a public service mode. We once more recommend that the federal and provincial governments work cooperatively towards developing a National Child Care Act, which would set out minimum standards for child care across the country. Child care must no longer be viewed solely as parental responsibility, subject therefore the vagaries of parental income and location, but as a service that benefits all of society.

Ms. Ion: The Ontario Advisory Council on Women's Issues recommends that direct grants be provided only to non-profit centres.

The Council recommends that the Ontario government introduce a provincial Child Care act.

The Council recommends that the provincial and federal governments work cooperatively towards developing a National Child Care Act.

Thank you very much.

Mr. Chairman: Thank you very much.

Questions from Committee members? I have Mr. Jackson,

Mr. Johnson, Mr. Cordiano.

Mr. Jackson?

Mr. Jackson: Thank you, Mr. Chairman.

Thank you for your brief.

I would like to ask just a quick question that has to do with, does this report contain most all or all of the recommendations to date from your group, or are there other recommendations that we should be advised of that you have made to the Attorney General in his capacity as Minister responsible?

Ms. Kerr: We have certainly made a number of other more specific recommendations, but it was our understanding that this particular Committee was dealing only with the commercialization of child care centres and, therefore, we tried to limit the recommendations we brought forward to within that scope.

Mr. Jackson: Would it be possible to get that list, because the scope is quite broadly based, as you probably saw from the deputant who preceded you, but I personally would appreciate being able to look at those recommendations since the scope of this Committee's inquiry has gone beyond...

Ms. Kerr: Yes.

Mr. Chairman: Just to be clear. You want an accumulation of all of the recommendations?

Mr. Jackson: I think the most recent ones to the new government I think is sufficient because that represents a more current reflection, and that would be helpful. Anything prior to that would only be for historical note and --

Ms. Ion: We would be delighted.

(Interjection)

Mr. Jackson: Thank you, Mr. Chairman.

Mr. Chairman: You are welcome.

Mr. Johnston?

Mr. Johnston: Thank you.

I am obviously delighted by the presentation, and just had one question or two, actually, that come out of it.

When you are proposing a new Child Care Act, it is because you see deficiencies in the Day Nurseries Act, which is purportedly supposed to do the things that you say that you have down in terms of setting standards, et cetera, et cetera. That is supposed to be handled under our presentation legislation.

You are basically saying that you want new legislation because that is inadequate and needs to be updated?

Ms. Ion: Well, I think it needs to be more comprehensive.

Ms. Kerr: I think the other part that we noted was that it continues to build upon the premise that child care is a welfare problem, and as long as you keep it under that aegis, that that is where it stays.

Mr. Johnston: That is my next question. Just having a Child Care Act would not necessarily take it away from social services and therefore from the concept of this being a Welfare Act rather than another Act. And therefore the question comes up as to how should this be handled? Mr. Jackson raised the question in the past, as to whether this should fall into education, whether it should be a new sub ministry in the sense of one of the two ministries but with very distinct kind of funding from the present CAP funding that it has, which has the limitations that it does on it, and there is pluses and minuses on both sides of that issue.

Have you given that any thought, I guess is what I am asking, as to where this new Child Care Act would fall, under which Minister would be responsible?

Ms. Kerr: I hope you are not asking me whether it is an education problem, the issue that was before.

But I think that we have not specifically identified where it should go, no. And I would say that the Council has not discussed that.

I can also tell you, though, and I guess we alluded to that in the point that we made, that this is a group, a generation that you will be following, and we will all be following through its development. As these children proceed, it may be that the system no longer is adequate within the way we are currently structured to handle all of the issues that they are going to raise.

So, no, I cannot give you an answer where we think it should go.

Ms. Ion: It has been discussed, but there isn't a...

Mr. Johnston: I understand the problem. Thank you.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: Thank you, Mr. Chairman.

I am very pleased to see this report because I think you recognize, or at least you state on the first page, let me just quote from your brief on page one, "Demand for child care is a growing one and in reality cannot be met by the public sector alone for some time to come. We suggest that commercial centres wishing to take advantage of direct grants to be given a three year transition period in which to convert to non-profit status."

You recognize, one the few groups that recognizes that we have to do something in the interim, and I gather from that, that you would see that it would be necessary to have direct grants, some form of direct grants.

Ms. Ion: In the short term.

Mr. Cordiano: In the short term.

Ms. Ion: We recognize it because we travel throughout Ontario and there are many areas where there just is nothing but for-profit child care centres. So to make that kind of a bold decision tomorrow would be detrimental.

But we are saying that they should given, as we said in the brief, a transition period to switch their format to non-profit.

Mr. Cordiano: Okay. Certain people have suggested that by giving commercial centres direct grants for things like salaries, and improvement of quality, which would be monitored by the government, to ensure that that is the case, that that would allow the commercial sector to expand and therefore should not be done.

The concern with that, on the government's part at least, is that quality will deteriorate in those centres, and in fact we have a problem with quality now in a lot of those centres, one quarter of them in fact are below standards, and so how do we maintain quality spaces in those centres for the next period of time as we go from one stage to the next without offering the possibility of direct grants to improve that?

Ms. Ion: That is a very interesting question, being that the ultimate is to move them into a non-profit system. But you have to have an interim time.

Perhaps the solution is to look more closely and do more supervising of staff so that there should be strings attached to the direct grants.

Mr. Cordiano: Yes, that is what is complicated.

Mr. Cooke: So one the strings is conversion to non-profit.

Ms. Ion: Yes. But the string before that, what are the direct grants going for? In none of the material that I could find were there any strings that it must go into salaries and program levels, increasing quality.

Mr. Cordiano: That is what is intended.

I just want to ask one final question, Mr. Chairman.

You also recognize the importance of moving from needs testing to income testing and moving away from a welfare service to a public service.

If we do that obviously on income testing basis, then under CAP, the Canada Assistance Plan, you could not do that for commercial centres. That is, you could not income test people without forsaking the 50 per cent that is cost shared by the federal government. So at that point, then, we might create a situation whereby -- I mean, the government may decide to fund the entire -- there is an option for the government to fund the entire hundred per cent, but it will not share it with the federal government, as a result it will take double the resources to create an additional space in light of that. And, whereby, for 50 cents of every dollar we put in, we create one space. We would then need one dollar to create that same space from the province's revenues.

In addition to that, those people that would be using the commercial centres, if we are not allowing them to be income tested, those are the two options. Either the province goes one hundred per cent on it, which would limit the number of resources that we have to create additional spaces, or that those people in those commercial centres would not be income tested under the CAP program, as it stands now. So we would, in effect, be creating a two-tiered system, where those people who are non-profit would be income tested and those that are in the commercial sector could not be income tested, and would fall naturally below -- what is the amount now -- \$18,000, in a series of needs tests, series of inquiries on the part of the government, which would limit to those people who basically are in the low income end of the scale. So we would get a two-tiered system at some point.

Ms. Ion: I think I am confused by your question.

Mr. Chairman: I hope so.

Mr. Cordiano: It is very complex.

Ms. Kerr: Do we do not already have a two-tiered system? I mean, we do have a subsidized system and certainly spaces are bought within commercial sectors.

Mr. Cordiano: Okay. But if I could just point this out, Mr. Chairman, because it is a little complex.

Mr. Chairman: Very quickly, Mr. Cordiano, because we have the Inspection Branch here.

Mr. Cordiano: Two minutes, two minutes.

The commercial sector as it stands right now, we do have subsidized spaces in the commercial sector, so we do not have a distinction between those who can afford to pay and those who cannot. For the most part, we have a blending of the two.

Ms. Kerr: Using that centre.

Mr. Cordiano: Using that centre.

Ms. Kerr: Okay.

Mr. Cordiano: If you move to income testing and if there are no changes made in the way we do that, under the Canada Assistance Plan, we would not be allowed to income test people using commercial centres. So, therefore, the logical step that follows is that those people under the Canada Assistance Plan, it would be a needs testing method for determining whether people could use the day care service and in the commercial sector.

Ms. Ion: That is for subsidized spaces.

Mr. Chairman: We were going to give them an opportunity of one minute to answer that, Mr. Cordiano.

Ms. Kerr: So your question is?

Mr. Cordiano: The question is: How do we get around that problem, and we are going to create a two-tiered system, so how do we get around that problem in the interim? It follows on the previous question I asked about maintaining quality and the whole system of direct grants. That is the question.

Mr. Chairman: Do you care to answer it, or cannot answer? We would like to get an answer.

Ms. Kerr: Have you got an answer for that one?

Mr. Cordiano: Is there a constraint on our time this

today?

Mr. Chairman: There is a constraint, Mr. Cordiano.

Ms. Kerr: It is very confusing. Perhaps we could discuss it with him after. Is that all right?

Mr. Chairman: Sure. Fine,

Ms. Kerr: Because I am not sure that I am really understanding.

(Interjection)

Ms. Kerr: I am not sure that we completely follow, unless what you are saying is that we only have a publicly funded system.

Ms. Ion: Rather than the user pay and the subsidized spaces.

Ms. Kerr: There will always be a commercial sector.

Mr. Cordiano: I will speak to you after, because it is very complicated, and I know I should speak to my colleagues about this because they do not understand it either. That is fine.

Mr. Chairman: Thank you very much.

Mr. Sheppard, I would appreciate that if you would take that up privately, too. I indicated no supplementaries

Thank you very much for attending. We appreciate it. The information you have shared with us, as was usual, is interesting and provocative. Thank you.

Ms. Ion: Thank you.

Mr. Chairman: The next item on the agenda, and the final item, is the staff from the Ministry, from the Inspection Branch. Kay Eastham and Mary Sutherland; is that correct? Would you come forward, please?

Perhaps you could identify yourselves, and I do not know whether you have an opening statement or whether it will be simply a matter of the members wishing to determine what the process is and some questions for you.

Ms. Eastham: I am Kay Eastham. I am the Director of the Child Care Branch in the Ministry of Community and Social Services. We are not the Inspection Branch. Mary Sutherland is here to represent operational coordination in the Ministry, which is responsible for the inspection process.

We do not have prepared statement. We received a request just a couple of days to appear before the Select Committee. We understood that the reason for the request was that there was some outstanding questions that perhaps we could clarify either here or provide you with statistics or information at a later date. So we are here to answer questions.

Mr. Chairman: Okay. Mr. Johnston?

Mr. Johnston: Start off with me asking some questions. I'm glad to accede the floor to others, if they want to ask supplementaries on the line I am going on, or whatever.

There is some real confusion out there about just what is the role of the child care consultant and what is the capacity of a child care consultant, given different roles, perhaps is even more accurately the case.

Can you tell us what are the roles? I gather there is a monitoring role, or on standards, there is a community development role, if you will, around the production of new spaces, and there is, I presume, therefore, some kind of enforcement role as well in terms of the compliance of standards after investigations, et cetera, have been done.

Can you sort of give us an outline of what the rules are first, and then I would have some specific questions about how that is undertaken.

Ms. Sutherland: Did you want an elaboration on those three roles?

Mr. Johnston: Yes, and any others that you see.

Ms. Sutherland: Because I think you did hit the three.

I imagine the two major focuses for the consultants is the monitoring and the consulting.

In terms of monitoring, the consultants have to make a mandatory visit annually as a licensing inspection to the Day Nursery Act and Regulations. Tied with that is a consulting role and the expectation that they would provide to programs consultation in regards to matters above and beyond the regulations or the minimum standards. That is a permissive kind of situation because, of course, not being regulatory, the centres have the option in taking our good advice not taking that good advice.

Similarly, in regards to monitoring, the consultants are obliged to follow up on complaints to the office.

In regards to the licensing visit as well as to following up on complaints, they would do that in unannounced visits.

In regards to the enforcement, for selected programs, the programs where we have had chronic problems or there has been serious complaints and the operator has not rectified that complaint, the consultants would be expected to visit that program more regularly than the annual inspection. And generally those visits would be also be unannounced.

In regards to the consulting community development role, they are also very active, and there is an expectation that they be very active in the community in terms of stimulating new programs, working with parent groups, public education activities, as well to increase parents' awareness of quality of care, and those kind of activities.

Is that sufficient?

Mr. Johnston: Yes, that is a great start.

Let us start off with how many centres an individual child care consultant would be responsible for?

Ms. Sutherland: That would vary across the province, but at the present time it is on average one to seventy, one consultant to seventy, not the other way around.

Mr. Johnston: Okay. So around seventy centres that they would have to see at least once annually?

Ms. Sutherland: That is right.

Mr. Johnston: And you say that those annual visits are not made with advance notice?

Ms. Sutherland: No.

Mr. Johnston: Why is it that we are hearing consistently from care givers coming before us that in fact they receive notice, often a week before or even more notice than that of consultants coming in?

Ms. Sutherland: They would be aware because it is an annual licensing visit, that around the time of the expiry of their license, that the consultant would be out.

Mr. Johnston: These people are speaking specifically about being informed about a precise time of the visit.

Ms. Sutherland: I am not aware that.

Mr. Johnston: They also indicate that besides the

annual visits, when there are other visits they were coming there, they usually got advance notice as well.

Mr. Chairman: Is this supplementary?

Mr. Johnston: You are unaware of that as well then?

Ms. Sutherland: Yes. The only distinction I would make is that if we were making consulted visits to the program, that those would generally be arranged in advance and maybe take place at staff meetings so that more people could participate.

But in regards to complaints, the general practice is to go unannounced.

Mr. Chairman: Mr. Jackson, supplementary?

Mr. Jackson: Supplementary, Mr. Chairman.

That was partially answered, and that was, certain types of visitations would require a phone call to ensure that the principles were in attendance in order to make the trip meaningful.

Ms. Sutherland: That could be.

Mr. Jackson: You confirm that. But to the degree that that activity goes on represents a large percentage of the consultants' approach. Is it not recommended, instead of driving all the way out to a location, out of your field office, you are not going to make the trip if you do not think you are going to meet the individual that you need to meet when you are there. You are inspecting conditions, but you also need to inspect and talk to people who have access to certain records, so on and so forth.

Ms. Sutherland: Again generally speaking, I would say that the consultant makes an unannounced visit when they are doing a licensing inspection.

Mr. Jackson: Okay.

Mr. Hennessy: Do not give them, say within four days we are going to visit any one of these four days, the people would be in?

Ms. Sutherland: I am not aware of that practice.

Mr. Hennessy: Say if a person running a business, they are going to have to go out somewhere else and do something else. If you drop in today, the person is not in for the inspections. But you say within a week we are going to be here this week, so the person stays around the business for the week. He knows you are coming in, he does

not know exactly what time. I would like to know that.

Mr. Johnston: Hopefully day care operators are not wandering too far around the City.

Mr. Cordiano: They would know that they are actually going to have a visit at some point. They would also know that they could have that visit at any and therefore documents and records, and whatever else needs to be available, is always available. Is that the case?

Ms. Sutherland: Yes. And some of the documentation as well would be sent in ahead of time, like records of qualifications of staff. There is documentation required that for the annual inspection that is sent out in advance to the visit and then sent back in.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: How much individual discretion is available to your consultants in term of interpretation of the Day Care Act, in terms of what they report or do not report?

Ms. Sutherland: In terms of reporting or --

Mr. Johnston: First, in terms of their interpretation of the Day Nurseries Act and, therefore, whether or not somebody is complying or not complying, and then following from that, there is a lot of discretion, you would get a lot of variety in kinds of reports that were actually made.

Ms. Sutherland: There is a variety in terms of the actual format that a report takes, because the only formal report that we have is the license itself. We have a check list, which is an organizational tool for the consultants to use to make sure that they organize there visits.

Within the regulations, there are some regulations that provide for director discretion. For example, the director would have discretion in regards to equivalencies for trained staff. If an individual was trained in other jurisdiction, for example, there is some director discretion. In those cases the consultant would be making recommendations through to the program supervisor, who would be their superior, and the area manager.

I do not know if that is what you are getting at, Mr. Johnson.

Mr. Johnston: In part. What forms are there that are filled out, can you share them with us? And can we see sample reports from parts of the province, for instance, of those reports? It doesn't have to have identifying

information, we can white all that stuff out. But just to see the kinds of things that people are reporting and the role they are taking.

Ms. Sutherland: Right.

Mr. Johnston: Because one of the things we are hearing is it really depends on where you are as to what kind of requirements are actually asked of you by the consultants.

Where do the consultants' reports go? It is my understanding that we really have not had any body of information develop from the consultant's report essentially within the Ministry. What happens to them?

Ms. Sutherland: They are placed on the operator's file. They are not collected centrally.

Mr. Johnston: So they all stay in the region, on the operator's file, in the local regional field office?

Ms. Sutherland: That is right.

Mr. Johnston: And there is no collectin of that data provincially to do any kind of quality of care analysis by the province?

Ms. Sutherland: No.

Mr. Johnston: How does the province, therefore, I guess to you, Ms. Eastham, how does the province determine how quality of care is being met in the province and make some of the social policy decisions it has to make? We are hearing one that our statistics in terms of what is even profit and non-profit are all over the map, and we are not getting your consultants' reports back to a central policy body.

Ms. Eastham: This is something that we are reviewing. As you may know, this is a newly created branch, consolidation, focus of responsibility within the Ministry.

One of the things that we are doing in consultation with the operation and coordination group is to review the information requirements that we have, to answer a variety of questions in terms of being able to evaluate program delivery, assess trends, et cetera. So we are looking at the possibility of -- while I think it is clear that the responsible for enforcement is decentralized to the Ministry's regional and area offices, that there is a need for corporate information to assess the practices.

Mr. Johnston: I am sure quite shocked, as I have said in the past, that that data collectin is not being made. I

do not understand how we can make social policy decisions without gathering that kind of information. But there you go.

In terms of enforcement, has any centre ever been closed by a consultant because of continual failure to meet standards?

Ms. Sutherland: I do not have the information to answer that. I am just recently to the job in the last three months, and I am from a field office, and my field office, we had not closed any.

Mr. Johnston: You never closed any?

Ms. Sutherland: I could get that information.

Mr. Johnston: Do you have that information, Ms. Eastham?

Ms. Eastham: My understanding, but here again we could check on the details, is that if there have been any closures, they would be very, very few.

The stance is generally to work with the operator to bring them into compliance.

Mr. Johnston: So can you tell me across the province, as we would know from nursing homes even at this stage, how many operators you have had to go back with continued complaints with across the province, and who the list of those kind of recalcitrant operators have been? Do we have that kind of information gathered on a provincial basis?

Ms. Sutherland: We would not have that centrally.

Mr. Johnston: So we would have no idea, in fact, even you from a provincial level in terms of the responsibility for the section, would not have knowledge as to whether or not in Ottawa, for example, for no particular reason, but just to choose a City, that there had been one operator who had on a consistent basis over the last ten years been having to have regular visits by the consultants because of failure to comply, or whatever?

Ms. Eastham: That information does exist, it is just it exists in a decentralized form. I mean, there is not any centralized roll up of that information.

If we needed to know those statistics for, as you give the example, the Ottawa region, we could go to the Ottawa area office and they would have that information on file. It is just that it is a somewhat cumbersome, ad hoc exercise to get that kind of information province wide. It is not that information is not there, but it is scattered. There

is no regular collection of it.

Mr. Johnston: It is not a question, viewed as a political matter, but it strikes me as very strange that we could even have a policy change being proffered by the Minister of Community and Social Services when he has not been able to do any kind of a study of quality of care across the province because he has not even had access to this information on a consistent basis.

Mr. Cordiano: There have been studies done, Mr. Johnston.

Mr. Johnston: Through consultants' reports across the province?

Mr. Cordiano: I am not aware of those. But I am saying there are some studies that have been done, certainly.

Mr. Johnston: Can you tell me as a parliamentary assistant that you know --

Mr. Cordiano: There was a national study done.

Mr. Johnston: -- that you know whether or not there are particular operators across this province who have been regular problems for consultants around the province?

Mr. Cordiano: No, I cannot tell you that.

Mr. Johnston: Can you identify them for me?

Mr. Cordiano: I cannot tell you that.

The point I was trying to make is that there is a body of research that is available to indicate what is happening out there. We are not operating in the dark as you suggest.

Mr. Johnston: I just say to you that there does not seem to be any central body of information coming from your own Ministry, from the people who are your quality control.

Is there anybody else who is your quality control other than the consultants through the field offices? I do not think so. They are the quality control, and that information is not pulled together centrally. I just find that unbelievable.

Can I just ask you about access to information about this stuff. It seems to me that in the nursing homes legislation we were talking about recently, we have been talking about posting the legislation and making people understand what the standards are and that kind of thing, in the nursing home.

Are standards for the operation of day nurseries posted in centres and/or made available to parents who register their children with licensed space operators?

Ms. Eastham: The license is posted. At the moment details of the standards are not posted. However, we do through our publications and other public education measures, attempt to educate parents on what things to look for in assessing the quality of care. Because while our standards can ensure compliance with those minimum standards, we do encourage the parents to also be a quality control.

Mr. Johnston: The thing I am concerned about I guess is, that if you are making an annualized visit which is anticipated for one reason or another, and people then have a chance for a month to get their face all spruced up, and then it falls back below standards. What kind of a catch is there there for making sure that it does not continue.

In a non-profit sector you have got a local Board and you have got more more parental involvement then you do in your average for-profit organization, so you have one mechanism, although it is not the sort of a Ministry's enforcement mechanism doing that. But in a lot of for-profit agencies, I wonder how we manage to keep any kind of consistent quality control if we do not have parents really knowledgeable about -- there are two things; one, what the rules are and what they should expect, and two, what the results of any consultant's report is. Do they have access, do parents in an individual centre have the consultant's report to look at to know how the consultants view their local centre?

Ms. Sutherland: No. But if I could just elaborate.

I would like to go back to my previous comments and say that we do not have a formal report besides the license where if there are conditions or provisions on the license, those are posted by regulation.

We have been reviewing in the past several months a method by which we could put up the most pertinent information for parents, because while we could require that the regulations be posted, the regulations are quite technical, and the regulations are really to reflect the intent in terms of a quality of service, so it is measurable, observable.

What we would like for parents to be able to see is simply in layman's terms the items of quality that could affect their child; for example, staffing ratios by age groups, room size or groupings, things in regards to Canada's Food Guide in terms of nutrition for the noontime

meal.

Mr. Johnston: Exactly.

Ms. Sutherland: So we are exploring that, but we have not come up with a tool as of today.

Mr. Chairman: Mr. Johnston, I want to enquire if other members want to ask questions.

Mr. Johnston: Sure.

Mr. Chairman: Are there any questions from the the other members? If not, we will allow you a bit more time.

Mr. Johnston: I do not want much more. Unfortunately, I am getting the answers I was anticipating.

I think when we start talking about quality in the private sector here, that we should be looking much more towards accountability measures which are obviously not in place at all in terms of just a government operation and giving parents information, rather than looking at giving them an extra few dollars, especially when you saw yesterday how their budgets work and the fact that they can put their mortgage down as a line item, or their rent down to their wives who own the building as a line item, and then charge ten per cent profit including that item. I do not think they need money. What we need is some kind of mechanism of control here.

I guess the only other thing I would just ask you about from a worker's perspective on this, it must be very, very difficult to be a worker who has got say an average of 70 places to deal with, and it takes a good day to do an annual review I gather of the licence from what we were hearing.

Ms. Sutherland: For a full day centre, day care centre it generally takes six hours. For a part day program, nursery program, of course it would be much shorter. There is fewer regulations for nursery schools then there are for day care centres.

Mr. Johnston: I am just thinking about the position your worker is in in the field of trying to be a consultant, to his generating interest hopefully in the non-profit sector, as doing public relations work and is also trying to assist parents and others and operators to exceed minimum standards within present programs that exist, and is supposed to do enforcement well. There is some contradictions there in role as well it seems to me in terms of time that somebody would have, some really major constraints on you.

Is that a practical problem for the workers at all?

Ms. Sutherland: I think there is recognition that the consultants are indeed hard working people. I think the other thing, there is recognition in the province that we need to provide them with tools. So in the past, for example, we have provided tools both to the operator and the consultant in terms of the Day Nursery Manual, that really elaborates on the regulation and further suggests good practice.

We also have the licensing check list which helps organize the time when the consultant is there at the centre, to minimize the amount of time checking through things, making sure they get that information completely, but giving them time to provide consultation at the same time of the visit. Further, we develop internal papers, for example, and what types of activities do they need to ensure that they get the documentation. So we try to provide them with whatever assistance we can.

Mr. Johnston: I am just thinking, if your worker has got 70 places to go and actually tries to go twice a year instead of once a year, just to avoid the problem that somebody is ready in that month, that they are expecting you to come, or have been forewarned, or whatever, then that is a 140 work days potentially taken right there, let alone any other kind of community development work you might want to do. It does not seem to me that the rules at this stage are practical if you really want to have accountability within the system.

Ms. Sutherland: If I could just add a comment, and perhaps from my field perspective because I was a program supervisor, supervising consultants. I had two supervisors, and their average is about 1 to 60. Within those 60 operators a large percentage, I would not like to put an absolute number on it, but 60-70 per cent are well motivated, committed individuals who work hard to exceed the regulations, and control of those individuals is not a problem. While I know that we do have troublesome operators, I would not want people to be lead to believe that they are the majority of our operators; they are actually a very small percentage.

Mr. Johnston: I am not even trying to suggest that. I am presuming that as well, that most people who get involved in the field, even the profits, are doing fairly good motivation.

The real question is, if we want to maintain standards of care, then you have to have systems in place to help promote that. And all I am saying is I do not see how you can do that with the limitations that you just told me that are placed on you, both staff time and that kind of thing,

plus the reporting mechanism. I just do not understand how it works, and in my view needs an overhaul, as you say to the section and the responsibility.

But rather than us looking at direct grants to the commercial operators at this point, I would be much more impressed if I had seen some plan that is put before us now to get parent involvement and more accountability, both through the government and through the local parents and families that are involved rather than talking about giving extra grants out to these people before we know how well it is all working, because we do not have any systematized fashion of knowing.

I apologize to the Committee for taking so much time, but I really also would like to say that because I initiated you coming in and I appreciate you coming in on such short notice to answer these questions.

Mr. Chairman: I would like to just ask one.

Ms. Eastham, you said something about this was a new program, I think you said.

Ms. Eastham: Day care is not a new program. I should make that clear.

Mr. Chairman: I am aware of that.

Ms. Eastham: There has been a relatively recent reorganization with the Ministry of Community and Social Services, setting up program branches which are focused around particular program areas. One of the branches that was created in that reorganization was the Child Care Branch, precisely so that the Ministry could put more focus on child care.

Mr. Johnston: The last reorganization just sent everything out to the field offices, with nothing in the centre at all.

Mr. Chairman: I gather prior to that, prior to that reorganization, it was not in existence.

Ms. Eastham: Well, way back when there was actually a Day Nurseries Branch in the Ministry, and then at one time the Ministry was organized around adults and children services as opposed to the focus of organization now. But I mean, there was still a Day Nurseries Act and there were people in the corporate offices and in field offices who were responsible for funding and monitoring of day dare.

Mr. Chairman: Thank you very much for coming, we appreciate it.

Just two items before you go. We are going to start addressing the question of the interim report on Monday, I presume that we wish to have that done in camera. If there is no objection.

Mr. Cordiano: I do not have any objection to that.

Mr. Chairman: Are you okay with that, gentlemen?

Mr. Johnston: If we start to run into difficulties and somebody wants to move a motion, at that point we go in camera, then I am fine on it, but otherwise let us start off doing it publicly and see where it goes.

Mr. Chairman: All right.

Mr. Cordiano: Same things I have been saying.

Mr. Johnston: As I say, Mr. Cordiano, says these things in public already.

Mr. Cordiano: And Richard Johnston uses it in his speech to get to get re-elected anyways, so what is the difference.

Mr. Chairman: The other thing is Cathy Fooks has some briefing material which she is going to give each one of you, and I think that is it. See you on Monday then.

The Committee adjourned at 12:30 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

MONDAY, APRIL 13, 1987

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitution:

Mitchell, R. C. (Carleton PC) for Miss Stephenson

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witness:

From the Ministry of Health:

Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Monday, April 13, 1987

The Committee met at 2:13 p.m. in room 1.

CHILD CARE REPORT

Mr. Chairman: Recognize a quorum.

You have before you a brief prepared very kindly by Cathy of the various groups that have appeared before us. And perhaps before doing that, if I could clear something off the decks.

There was a group that appeared before us and we agreed to pay the travel of the group from the Ottawa-Carleton Day Care Association. Apparently, because of a storm, they had to stay over and she submitted a hotel bill to us. I do not see any problem with that?

Mr. Mitchell: Rosemary Somers.

Mr. Chairman: Do I have a consensus on that?

Mr. Cooke: From Ottawa?

Mr. Chairman: Yes. Okay. We have agreed to pay for the hotel account? I guess we should have a motion on that. Can somebody move that and we can vote on it?

Mr. Cooke: I so move.

Mr. Chairman: Mr. Cooke moved it.

Those in favour? Carried.

All right. I will just get my list out here for speakers. Has everybody had a chance to-- do you want a few minutes to take a look through it or...

Mr. Johnston: No.

Mr. Chairman: All right.

Mr. Johnston: I got here on time.

Mr. Mitchell: May we ask questions about the brief?

Mr. Chairman: Yes.

Mr. Mitchell: With regard to your comment relating to the Christian Reform Churches in Canada, I do not quite

understand what you are saying.

Mr. Chairman: What page is that?

Mr. Mitchell: Page 1 under the list of witnesses.

Mr. Chairman: Item 11.

Ms. Fooks: Well, all I have done and this is customary, I think we always do it for committees, is provided you with a list of all the people...

Mr. Mitchell: No, no. But you have a comment...

Ms. Fooks: I see. With that particular group there was not a formal recommendation in their brief, with all the other groups there were formal recommendations that they supported strictly non-profit.

Mr. Mitchell: That is fair, but then you go on to say "what was verbally supported during presentations". And I do not know, I have not gone through my Hansard that carefully, but my memory of it was that they did not necessarily feel that a universal assessment of their system was necessary.

Ms. Fooks: Well, that does not say universal assessment.

Mr. Mitchell: Well, that is all I wanted to know.

Ms. Fooks: They support non-profit.

Mr. Mitchell: Okay, okay. That is what you are saying. Okay.

Mr. Chairman: Are there any other questions?

Mr. Cooke: There is only one thing slower than the post office and that is the Ontario Government mail.

Ms. Fooks: No, we hand delivered it. It should be there on Friday.

Mr. Cooke: There is one thing still slower, that is my office.

Ms. Fooks: Sorry?

Mr. Chairman: I do not know if there is any necessity for Cathy to go through this since we have -- the hearings were not quite that long. If you wish to go through it, you wish to proceed that way by having Cathy go through it with us or...

Mr. Johnston: I do not see any purpose in it.

Mr. Chairman: I do not either.

Mr. Johnston: The hearings were not that long and most of us were here for most of them and we should be able now to have a discussion as to what we want to do.

Mr. Cordiano: That is fine with me.

Mr. Chairman: Mr. Mitchell?

Mr. Cordiano: You were chalking up a bit about a discussion, Mr. Johnston, last week.

(Interjection)

Mr. Chairman: All right. Who wants to start it off? Richard?

Mr. Johnston: Sure, why not. If there is a nervousness on the other side about this, I would be glad to.

The question we have at hand is: What kind of report we wish to make around the question of profit versus non-profit operation in the child care system as it is presently and, I would presume, as we see it evolving, especially as a result of government announcements in the last little while.

From my perspective on this, our party's perspective, I guess we would like to see a report go back to the Legislature from this committee that would indicate that some kind of statement of the principles about where we see child care at this point. I would like to see that, from my perspective, in terms of its evolution.

We have talked briefly about this in some of the questions we have asked some of the people, but my perception is that it has changed fundamentally from being primarily a babysitting style issue in the 1950s to becoming a matter of a welfare service with an emphasis on subsidization for those people who cannot afford it in the 1960s and 70s, while those who have more money in our society started to take advantage of it as an early childhood education opportunity for their kids.

And now that we are in the 1980s, we are really dealing with an issue, very much at the end of the 80s and the 90s, in which its base in our society should be seen to have changed fundamentally to being something which should be accessible to all children whose parents would like them to avail it in terms of the educational opportunities are there for them in terms of stimulation and preparation for

public school education, priority identification of problems that those children might have et cetera, et cetera. And also in terms of an economic issue affecting the family and especially in this day and age when more women are participating in the work force and one of whose major problems in participating equally is the lack of affordable child care provisions for them which make families make an awful lot of decisions which are either very tough economically or limit the family size dramatically these days when you look at the average cost of child care as we have.

So I guess I would like to see us recognize the fact that child care has changed and is no longer what we thought it was then and that in saying that it has changed, then we must look at the whole question of how the service is delivered in a much different way now than we did during the 50s, 60s and 70s and our party, as you know, for a long time now has been of the opinion that we should be moving towards a universal system that is accessible to all that wish it and that is affordable.

It is also our preference that this would be a non-profit system and we think philosophically the reasons for that have been expressed by a number of the deputants that came before us over the last little while and the principle seems even to have been accepted by the government in terms of some of things Mr. Cordiano was saying about not wanting to have any further increase in the commercial sector and wanting to expand the non-profit sector, that there is a preference for dealing with this issue in the non-profit sector.

I think the reasons I would look at it in those terms would be to say that if we do recognize this fundamental change, then I think we should look for parallels with other kinds of social service systems that we provide and determine what is the best delivery for this one. And in doing so, I would think that we would be stating that the need to have this system as accessible as the public education system, in terms of its affordability at least, would be one that most of us would accept.

There probably would be a general agreement that you are not talking about anything that should be mandatory here and that parents should certainly have the right to choose the method of early childhood education that they would like for their kids, whether that was with a formal licensed day care system or with families, friends in the community and other methods, but that they should be able to make that decision in no way affected by the whole problem of cost.

And I would, therefore, look at that parallel with our notion of education and that is that it should be there available to all that wish to avail themselves of it and it

should not be in the least a system of some sort which really depends on its quality by how much you can pay.

This, of course, is not to say that there should not be the whole sector of choice for those who do have a lot of money or who, for other reasons, wish to avail themselves of something which they would pay greater fees for. And, therefore, like we have in education, the Upper Canada Colleges of the world or our religious schools of this world that are not paid for out of the taxpayers' pocket, so that option should obviously be available to people, but that we should be looking for a system, as we move into the 80s and 90s, which means that the average working family in Canada, and in Ontario in particular, because that is our jurisdiction, should be able to avail itself of affordable child care.

We think that the only way to do that appropriately is to do it through a non-profit system. And I would remind members of the number of the deputations we had before us that specifically have the very graphic presentation by Jane Beach of the various day care budgets and how they were based and to look at the kind of choices that we inevitably make when we add into an education program of this sort and it is kind of a basic service program which is primarily staff-based; the kind of effect that having a profit-making system has on the quality of care as directly as by the whole question of the kind of salaries that can be provided and benefits to the workers in the system.

And the reason that that becomes paramount and I remember the difference in the statistics was 62 per cent as I recall, of the budgets of the profit agency was directed to salaries, whereas the other examples ranged from 80 per cent in the full-costs covered by the fees of the parents approach, 82 per cent to about 95 per cent in some co-ops using Board of Education facilities.

This obviously allows for higher salaries for the staff and overcomes some of the problems of high turnover, enormous turnover, 100 per cent turnover sometimes in a year in some of the commercial day cares because of the poor salaries and guarantees that you are getting people who are going to have in-service training.

You remember the budget line item for the amount of training that those people were getting in the commercial centre, it was almost non-existent and, basically, as an important guarantee of quality of care.

A second major reason for choosing non-profit over profit and the importance of making a statement about that for the future provision of this kind of service is the question of accountability and I think that it is really

important to look at how we can control private enterprise in social services and the limitations that are on that just by the nature of it being a private corporation which has the right, by its very nature, to make a profit and to organize its own affairs as compared with a community board responsible for the use of government dollars and its accountability to the community, in this case, primarily the parents and to the government.

And I think it was Mr. -- oh my goodness, who was it that raised it. It was one of your members, a Conservative member. It will come back to me -- Howard Sheppard is who it was, that is right -- raised the whole question of the group homes in his area, for-profit group homes and the difficulty there was there about getting information on the books and it is no different in terms of financial accountability in the group home sector of social services than it is in day care.

The crucial component of the parent board to the good operation of this new system, I think cannot be overstated. It might have been a few years ago I would have argued for day care going automatically into the Ministry of Education at this stage in terms of its universal delivery. I am not as clear about that today as I thought I was then. And I talked a little bit about this in some of the questions to witnesses that we had.

The reason I have concerns is because of what I see, the lack of parent accountability and the lack of parent involvement of the education system in the province now and that I would hate to see day care in the non-profit delivery mode we have at the present lose that fundamental connection it has with patients, whether it is just a straight non-profit day care or whether it is a co-op where the parents are actually doing the work on the day care on a regular basis.

The involvement, decision-making by parents is just vital to that and I think that if you look at our public school system especially our secondary school system at the moment, the parents are quite divorced from the system and the professionalism which we have developed which has very great benefits on the one hand in our teaching profession, has also served to distance parents from decision-making about their kids in the education system.

And so I would not want to see us and I think that there is agreement on this from our caucus, that we would want to make sure that a vital component of the delivery of day care in Ontario be a statement that parental control has to be a crucial part of it; the development of local boards made up of a majority of parents should be seen to be one of the basic elements of any delivery system.

I think we are willing to talk a bit about as well of how we move towards a fully non-profit system in recognition of the fact, as Mr. Cordiano continues to tell us that around 50 per cent of the licensed spaces are commercial operations at this stage, but I do not think we want to talk about any kind of direct grant to these present operations because we see it as counter-productive to the phasing out of this particular sector, the commercial sector.

There are a number of suggestions were brought to us about incentives that could be brought into assist these for-profit agencies to turn into non-profit agencies, we would be willing to incorporate that into a report if that seemed to be the will of the majority of the members of the committee.

But I would want to very strongly go on record in the committee as saying that we are opposed to any change in the present financing of day care systems that would do anything to stabilize, for the long-run, and institutionalize for-profit child care and we interpret the notion of giving a direct grant to the for-profit sector as a distinct policy change which could only be seen to be reinforcing that sector at a time when we do not think it is required and we should be moving in an opposite direction. We think it is sending out a contradictory message if we accept all of the other premises that have come up right up to this point.

Now, arguments for that I think have been made by many of the deputants that came before us, but they go as follows: Essentially our funding at the moment is equal and we have a purchase of service agreement possibility for the profit sector as well as the non-profit sector in availing themselves of subsidized spaces in any given municipality, but we have not given the for-profit system a lump amount of money per space to just cover their operating costs and that is what this new proposal is.

As you know, the suggestion for doing this for the non-profit sector, something by the way which is done in some of the other provinces and I really wish we had some of the experience from Manitoba and Quebec here before us to speak to this, has been done to try to enhance the salaries and, therefore, the quality of operation of the non-profit sector. The City of Toronto, we have learned, has done this itself in a very complicated kind of way trying to tie it to salaries, something we advise not to try to do, and I would remind the committee of that, that trying to do that to actually give a grant that would go only to salaries is a very difficult kind of thing to manage and they, in their wisdom, in trying to bring that in, also limited that to the non-profit sector.

One of the reasons for doing that is when you look at the for-profit sector and you look at the way their budgets

are determined, it cannot be argued, in my view, that there is any need at all to give a grant to these corporations while they have ability now to guarantee themselves a quite substantial profit.

For those of you who were not here for Ms. Beach's presentation I will remind you of a few of the factors in this. The one is that the budget is developed in such a way that at the very end of the budget, once you tally your total, you may then, as a profit agency, charge ten per cent above that as your profit margin. Well, having that come at the tail end, of course, of your budget rather than having some of the line items ruled out in terms of the accumulation of that, there are a number of ways of really increasing your profits and the best example we saw was the whole question of mortgages.

I remind you of the example that was given to us. It was a woman, the wife of an operator who owned a mortgage, was paying \$1,500 a month, as I recall from the evidence that was given to us by Ms. Beach. The rent that she charged her husband for the location was \$2,000 a month, sort of an average going market rent in that area of High Park, as I recall, here in the City of Toronto.

So what you can see clearly, number one, is that as a line item on the budget the entire mortgage payment was covered plus a \$500 a month profit for the family and then that all becomes part of the line items and the total up of which you can add your ten per cent and that will make an automatic 10 per cent on top of that on your mortgage payments every year, forgetting what you may be able to do in terms of your income tax credits that you might be able to claim as a small business.

There were other items that you may recall in terms of services that were provided by that care giver which was able also to enhance the family's income; namely to a son doing repairs, as I recall, and one or two other items which I do not have the budget right before me at the moment. The possibility, therefore, of having an open-ended approach to making money on this is fairly clear, in fact, it is pretty difficult for me to understand how a for-profit agency could not make a lot of money in this business right now in Ontario.

Mr. Cooke: Pretty risky.

Mr. Johnston: Two things I would say about that. Number one, we know that the number of kids in licensed care is very small in terms of percentage of all of the kids who are of child care age. We know that people are willing to pay more than some for-profit agencies even charge at this point, in terms of making the choice for child care as part of their economic decision in their family. There is no

reason to presume that without an extra \$3 per day per space or \$5 a day per space that that company would not be able to continue and continue to pull in the same kind of overhead costs that would maximize the profit for them and make it a very good return on their money, and that there would not be a market for that company.

I may remind you that first budget that we were shown of the full cost day care, the cost to the parent was about two thousand-plus dollars more per year than was the example of the profit agency that we saw at the end which, in fact, had the lowest fees of all of the agencies that we saw. And presumably also delivering less quality care.

So those are some of the major arguments against any need to give that \$3 per diem grant. The other thing I would say is that clearly by giving it, we are making a statement of the value of commercial care, we are making a statement about our lack of understanding just how their budgets work in terms of how they are guaranteed a profit that seems to be in the system at the moment, and we are -- the last thing I am going to say is that we are not recognizing that in Ontario, unlike other provinces like Manitoba and Quebec as examples, we have not maximized what we can do for the non-profit sector.

In both of those provinces, direct grants have been given now for some time only to the non-profit sector in recognition of the importance of fostering the non-profit sector and if Mr. Cordiano and others want to argue that we should be fostering the non-profit sector, then I would suggest to you that this is an important way to do; that is to allow the direct grant to go to the non-profits but not to institute one for the profits. If we do do that, I suggest that we will, in fact, be making it very difficult not to fund new commercial centres that come up.

Mr. Cordiano says somehow we can make that distinction. I would argue that in fact we could not, and if necessary, in discussion as we go on I will quote back Mr. Sweeney to you in terms of some of the things he said earlier on about this which I think as well begs this question. If you look at the Manitoba and Quebec experience, the private for-profit agencies have not gone out of business.

And if you look at that argument that has been raised, that has not happened in the real world of direct grants being given to the non-profit sector and that the message that we will be giving, if we did give that money, would be a very contradictory and negative statement.

So just in summary, I had not meant to go on this long, but I was not also presuming that I would be doing a lead off on this, but rather responding to what the

government would like to do on this.

I would suggest we would have the statement of principles about where day care is at the moment and then talk about the kind of delivery system we would want in which we would emphasize non-profit and extend the grant to the non-profit system, not to the profit system, talk about a transition period, if we wish, and incentives for transition to a non-profit mode for the profit-makers in the system, and suggest that, in my view, the question of which of the Ministries should deliver this is one which we probably have not made our minds up about at this point because of the parental control question that I raised earlier, but that a special interest in this, I forget which group raised it, but the notion of either a sort of an assistant deputy minister level handle in terms of child care in Community and Social Services or Education would be appropriate or may be even what somebody called a minor --

Mr. Cooke: Junior.

Mr. Johnston: Junior, a Junior Ministry might be something we want to look at, but I do not think we necessarily need to get into that at the moment and I certainly have not made up my mind about that issue, but I think overwhelming the presenters we had come before us making arguments, made arguments that were similar to the ones I have just made and were overwhelmingly in favour of this kind of an approach and if there are others out there who we should have been bringing in to make other arguments, I would suggest that we should have been out getting those people to come in.

But what I have heard in the information that we received over these weeks did nothing but reinforce my prejudices in the past except perhaps to alert me even more than ever to the need for parental control as a fundamental part of the model that we go for.

Mr. Chairman: Mr. Cooke?

Mr. Cooke: Just very briefly. I think after a couple of opening statements have been made that perhaps then we can try to decide on the various subtitles along the lines of Mr. Johnston that would form the outline of the report.

I just want to reinforce one thing that Richard has said and that is this idea of direct grants to the commercial sector, I would like someone to explain to me that once you begin giving direct grants to the commercial sector, how are you ever going to phase out those direct grants, because if you are using them for either to boost up -- supposedly to boost salary or, in my view, the ultimate response would be that it will boost up profits for the private sector and you say that you are going to

eliminate it in five years, I can foresee questions being raised in the Legislature, petitions and lobbying and all the rest of it when that five-year period is about to end to keep up the direct grants. I mean, otherwise, once you have institutionalized it into the system it is going to be very difficult, if not impossible, to ever eliminate it.

I would like to see it when we are writing our report that there be a substantial section on the lack of the collection of statistics and data on the system, because if anything has come out very clear that we have no idea or we do not have an accurate idea of what is going on in the system in terms -- everything from the balance between profit and non-profit that currently exists in the system, to the violations of the Day Nurseries Act. And in the same section I think there has to be a statement from this committee on accountability.

There is, in my view, no accountability except for those centres that now have parent or community-controlled boards. We have no idea where the money is being spent, no financial accountability in the system. no central data on the violations, inspection reports. I do not think that that people have access to them. So I think that we have got to make a very strong statement on the lack of accountability and the lack of data collection in the system now and recommend very strongly that the Ministry take steps to bring the system in the 1980s right away.

Mr. Chairman: Thank you, Mr. Cooke.

Mr. Cordiano?

Mr. Cordiano: Thank you.

I just want to start off by sharing some of the thoughts that Mr. Johnston raised and some of the notions. I think we should start off our report by pointing to some of the concepts and the way in which we would like to see the system evolve, looking at the whole process as it has evolved and as it is going to develop into the future and I think that that is important. I think we can come to an agreement on various concepts within that framework about what took place in the past, how the system is presently run and where we would like to see it go.

I share Mr. Johnston's very strong beliefs that parental involvement is indeed a must in the system and I think that I would also point out that looking at what some people have said or described, that the system should move in a direction similar to the educational system, I would be opposed to that very strongly. I do not think that is the way in which we would like to go and I do not foresee that happening down the road as being a very viable option for this province and, indeed, I think the system would be the

worse off for it.

I think the non-profit model has a lot of merit and a lot of very good qualities that we can work from to expand the system. Again, the whole question of parental involvement is uppermost in the minds of most of the groups that came to the committee and made arguments in favour of the non-profit model. I think, though, we have to recognize that the system-- we can speed up the process in developing the system and I think that is essential. I think we can make a number of recommendations to that end, but we also have to recognize that what parental involvement entails is a natural evolution of non-profit centres within various expanding areas in our province and we have noted some of those and, indeed, it takes some time for these communities to develop a sense of community and for parents in those communities to form groups and associations that will come together and provide a non-profit day care centre or establish one.

I think there are a number of things we can look at in order to encourage that to happen and I think that we can also suggest and make recommendations to that effect for the Ministry to come up with various programs. We should get into those in a little more detail later on, but I do not see any problem there.

I think the government is clear in its intentions, it is on the record. I think the Minister has made it clear that the intention is to have all the expansion in the non-profit sector and the system will unfold from there.

I think we have to look at the major issues involved in the entire question of child care in this province today looking into the future. When we look at the basic issues; what are some of the basic issues? Well, affordability is a major issue. Accessibility is another major issue and quality of care is one of the major issues that keeps coming out over and over again.

And I think when we look at affordability it ties into the whole question of moving from basically a welfare system to a public service system or service. And I think we all recognize that. As our society has changed we recognize that there is a basic need for child care. There is a basic need that goes beyond just providing a welfare service as has been the case in the past and is the case today. And so we recognize that we have to move from there and make our system more affordable and at the same time making it more accessible. And the whole question of affordability, I think, begs another question and we certainly have to come up with different models, mechanisms whereby we would provide the ability for the system to be more affordable.

Right now some of the costs for licensed care are astronomical, as we have seen for most parents, ranging anywhere from \$4,000 to \$7,000 a year. That is a very serious question: Can middle-income Canadians, Ontarians, afford that kind of money? I think it has been clearly demonstrated that most people cannot and yet they have a basic need. Most women have to go to work and most families have both husband and wife working. So I think it has been of a very well-established principle that, in fact, this is a basic need.

If we move from a needs-testing system to an income-testing system, there are a whole host of issues that we must look at and, again, this was brought up under the Canada Assistance Plan. We basically can move to an income-testing method for non-profit centres and there would be access to those centres. If we are moving to an income-testing method, that would not be the case for commercial centres, we would not -- those parents who now access commercial centres would not be able to access them if we move to an income-testing method.

There is the whole question of purchase of service agreements. Some suggestions were made, some groups pointed out that in fact these should be phased out for the commercial sector. I will get into that a little later. I just want to address the other two points of accessibility and quality.

If we are talking about accessibility, how do we create a system that is more accessible over the next 5 to 10 years if we move to eliminate or create an environment whereby we eliminate what is in the system at the present time? And there is a very real danger that we will do that, and I will go on to explain what I mean by that. But I think we also have to remember that making the system more accessible does not mean making it fall into one of the categories in which we would like to see it operate under the ideal set of conditions.

Making it more accessible does not mean we foresake some of the spaces which are presently in the system for spaces that we would like to see operate under a certain model that we all agree is perhaps the kind of model that the system should be built on.

And that brings us to another point and that is quality, and how do we maintain quality in the entire system; how do we maintain quality when staff in the commercial centres are paid somewhat lower than staff in the non-profit and municipally-run centres upwards of 30 and 50 per cent. And I mean, that is a real issue.

If we move not to adjust-- if we choose not to adjust those issues in the commercial centres and really this is

where we start to part company on this whole question. We have a system where almost half of the spaces in this province are run in the commercial sector and we have a system in which the staff-- the people that work in that commercial sector are paid far less than the people who are working in the non-profit centres and the municipally-run centres.

If we say to ourselves: Well, we want to make the system all non-profit or municipally-run; that is, not for-profit, then how do we go about doing that without giving up on some of the spaces, and I know Mr. Johnston has made certain arguments that these spaces will continue to exist because there has not been evidence to the effect, at least in his opinion, that these operators would not move out of the field.

Fine. If we build in certain incentives for these profit operators to become non-profit, that will go some way in stemming the exit from the business, but there is a real concern that we will lose spaces and, if we do not, if we do not lose spaces - and I am willing to concede that perhaps we may not lose as many spaces as has been talked about - but what happens to those centres which are commercially-run? What happens to the quality in those centres? What happens to the kids that need to have-- the parents, rather, that need to access that kind of service in the commercially-run centres?

And what are we doing to those kids? Are we forsaking them, because, as has been indicated, quality in those centres is, at best, equal to and far less than what it is in non-profit centres and municipally-run centres. We have some evidence to that effect that 25 per cent of all commercially-run centres do not meet the standards of quality that are met in non-profit and municipally-run centres.

So if we move to an entirely non-profit system where we are going to encourage a non-profit system and not look at these issues and not address those issues in some meaningful way, then we are going to forsake the people that use the commercially-run centres, the people that have to access those centres.

So I think it is important to keep that in mind, keep that in mind and, indeed, this is why I suppose we have to look at a mechanism whereby if we agree that we want to maintain those spaces and that there is a threat that we will lose some of those spaces and that, even if we do not lose some of these spaces and those spaces will continue to exist, we are not going to be able to make up the shortfall in terms of the quality, in terms of staff, in terms of salaries that are paid to those staff. We are not going to be able to maintain that quality in those centres. And I

think that is a very real fact at the present time.

And if one talks about moving from the system that is in place now to the system that could be, well then one has to look at what happens to the present system and how we get there from here. So I think a number of points have been made to demonstrate that.

Yes, the non-profit model is the ideal model for the system, but we do not want to forsake the spaces that we do have in the commercially-run centres, we do not want to abandon those people who are using those centres and that, in fact, if we move holus-bolus to cut out the commercial operators, then we have a very real threat-- there is a real threat that we will lose some of those spaces and that will not maintain quality and, in fact, quality may deteriorate over time. I think you have to keep that in mind.

Finally, I would just like to say that we should look at these in various stages of our report because I think there are a number of issues of different magnitude of importance and looking at the direct grants and how we -- it really is a question of how we address the whole commercial sector. It is a question of how we maintain the standards of quality and how we adjust the present situation and try to be as practical as possible and try to address the real needs that exist at the present time, not looking at this 10 or 15 years down the road, but looking at five years down the road, what the system will be like over the next 5 years and how we want to get to the kind of system that we all agree we should have.

Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Cordiano.

Mr. Baetz?

Mr. Baetz: Mr. Chairman, at least one thing I guess is obvious to all of us as we are looking through the introductory remarks, some rather longer than others, but all is very important.

One thing that is clear is that we all seem to be started from the same starting gate, at least, and that is a recognition that over the last two or three decades the attitudes to child care have fundamentally changed and, of course, that these attitudes are simply responding to very dramatic changes in our society; family lifestyles, the work of women in the labour force and so on. So I think at least we are all agreed on that.

There have been rather profound changes, not only social changes, but also changes in attitudes. Just how radical or how major those changes are, I suspect could lead

to some debate here.

When we did our first national survey on day care when I was Executive Director of the Canadian Council on Social Development in 1962, the survey at that time indicated 93 per cent of the women, or the people in the country, thought woman's place was at home, 93 per cent, this was in '62. Now, obviously that has changed radically, I think it is down to about almost 50/50 who feel that that woman's place is still in the home but there has been a remarkable change but, nevertheless, there is still a good chunk of the population out there that is not at all sure about that.

So I do not think we are at the position yet where we can be talking about a coast-to-coast massive network of licensed day care facilities that would be almost comparable to our public education system. I do not think, Richard, we are at that point yet. I am not saying we are not going to get to it some day; chances are we will, but we are not at it today and I think as politicians and I think as public leaders I think we have to try always be a jump or two ahead of the public opinion in these things but not to try to jump too far ahead or you will end up with a mighty backlash which can also happen.

So my other concern here about this committee's report. Now, we have been dwelling largely on the two aspects here: Do we and if we do, how do we assist the commercial operators and the not for-profit operators and that is, of course, a major issue here. I would like to spread our net even wider as a committee, in our report to the Legislature or wherever this report is going to go to and that is that in this committee we not only...

Mr. Chairman: Hopefully.

Mr. Baetz: Where do you think it is going to go?

Mr. Chairman: Hopefully the Legislature.

Mr. Baetz: Some days we wonder, but anyway I would hope that as we look at the whole question of child care that we not look at it in any kind of bifurcated, myopic tunnel vision, but that we look at it in a very, very comprehensive way which means the care of children either outside of their home or the care of children in their own homes by their own parents.

And if we think only of providing public assistance, and I do not mean public assistance in the welfare sense, I mean public moneys, if we think only of providing public moneys to those parents who choose for whatever reasons to have their children looked after outside of their home whether it is in an informal setting where they pay under the table or they make informal payments or whether they are

in licensed day care centres for-profit or not-for-profit, but if we only look for care outside the home, we are missing -- we are missing one very, very large segment of child care in this country and that is the care of very young children, I think we are all talking about, say from infants on up to three, four years, but we are missing a very, very important dimension of child care.

And I think, frankly, that it would not even be good public policy if we were to only think of assisting if you choose to have your children looked after by somebody else outside of your own home. That is unfair for one thing, because these young parents, in addition to having one of them drop out of the labour force very often to stay home for a couple of years lose a substantial source of income, but also through their taxes have to help to pay for the subsidies that are going to be made to parents who choose to go outside of their home for the care.

So here we have a public policy, if we are not careful, that skews the choice of people. Say, you know, we will help you if you make this choice, we will not help you if you make the other and that, to me, is not very intelligent of public policy.

So, I think---

Mr. Mitchell: Legal policy.

Mr. Baetz: Yes. Well, I think that -- I would hope that this committee, therefore, in making its report would take the very broad look at child care.

Now, we have talked about whether it is another Ministry or whether it is something else, I think frankly if we do take this comprehensive look, maybe we should be saying something about who does it, because obviously it goes beyond welfare, it goes beyond welfare. It is not education, it does not neatly fall into any one of the present ministries.

And so we should be thinking of some kind of a monitoring watchdog agency that takes a constant look at the overall comprehensive child care situation in this province and that would include, that would include, I would think, the whole question of parental leave. That is largely a provincial responsibility. Federal government can talk about parental leave all they like, but they are confined to only a few federal agencies-- well, anyway, I guess CN and a few like that are Crown corporations, I do not know, but it is very limited.

Anyway, the bulk of labour legislation would be provincial and so one of the jobs that this child care agency or child care monitoring agency or watchdog or call

them what you will, I think ought to be addressing itself to the Ministry of Labour to see what they can do about the parental leave, extending those; the maternity benefits it is now under unemployment insurance it is likely it would stay there.

But the other question is: What does this province do in terms of tax credits, matching the tax credits that have now been issued or that may be extended by the federal government if they listen to their task force report they may be doing something, but what is so desperately wrong with the province of Ontario, the rich province that we are, providing some kind of tax credit to parents with very, very young children up to age three or four, whatever.

So, those are, I think, the other dimensions here that we ought to be looking at to getting in on the question of do we recommend some kind of a direct or indirect assistance to the commercial operators or do we confine it to the non-profit agencies and try to eventually squeeze the commercial operators out, even though now they have got about half of the clients.

I must say that-- and I missed some of the meetings to this committee here, but certainly the presentations I heard from the commercial operators, I was not particularly enchanted by what they were saying. They thought it was really none of our business as to how much profit they were making, there seemed to be a sort of a knee-jerk reaction on the part of some of them, maybe not all of them, when we began talking about: Well, if you were to get money on a more substantial basis and more regular basis, would you then be prepared to be more open to inspection and so forth. And the few that I heard were not too happy at that prospect.

But I frankly think that-- and a modus operandi could be worked out between the Provincial Government and those commercial operators. The province could get tough, could insist on certain regulations, could insist on certain standards and so on. I know, you know the track record in nursing homes has been spotty and we know that even now in the commercial operations in day care, child care, it is not the greatest, but I cannot help but think that if we were, as a matter of basic policy, to say, yes, indeed there are public funds available to you, I do not think there should be for start-up - I think that is -- they have got their own funds to do the start-up business - but public funds will be available under certain conditions.

And I think that we could hammer out any -- the government could hammer out certain conditions under which this kind of assistance would be forthcoming and, if not, cut them off, cut them off; not all of them, but certainly the delinquents among them and I think the message gets

around.

I prefer it that way because I am attracted to the idea of sort of a pluralistic approach to this, that you have a whole range of child care programs within the parameters set down by the provincial government, I mean, certainly as far as we - up to the point where we help to subsidize. There may very well be some child care centres here of very high quality, very expensive, for some parents who want to pay a lot of money. Well, that is fine, but certainly up to the point where the province assists or the province and the Federal Government assists, there would have to be very strict regulations imposed.

And if we can get Bell Telephone to toe the line in terms of what it makes and what it wants to charge, et cetera, et cetera, I think we can certainly make some of these commercial...

Mr. Chairman: It is under appeal, is it not?

Mr. Mitchell: Oh yes.

Mr. Chairman: I do not think we did get that finalized. I thought it was still under appeal.

Mr. Baetz: Well, at least Bell Telephone has to provide a lot of information which I guess Bell would prefer not to provide, but it can be done. Some of our energy agencies have to do the same thing. They have to lay their books on the table and then they can raise their rates.

So it can be done. So I would prefer -- I do like the pluralistic approach to this. I think the time, for many reasons, has come that we are going to break out of child care as being a welfare program and that is highly overdone because the sad fact of life is if you have a program for the poor it is a poor program. That is just an old adage that happens to hold true. So you have got to bust out of that characteristic of our child care programs.

The other thing, I do not know, again going back to the equity question. If we speak of many more centres, and I guess we all are speaking of many more, there are still going to be a hell of a lot of places in this province where you cannot have a centre or not likely to have it out in the rural areas. What are you going to do out there, unless you maybe provide some assistance directly to parents, encourage them to look after their own children if there is nothing available and near at hand.

Anyway, those are just some of my thoughts on the subject. I think we should take a very, very broad approach to this thing and get the First Minister -- address some of these to the First Minister here because that is where

things tend to happen if once we get them involved. Child care should be the number one item on the First Ministers' Conference, it should be on there for the next three or four years until this thing gets the shot that we hope it will get.

Mr. Chairman: Perhaps I could ask, Mr. Baetz, you were not here for the comment on the question of the availability - I think you were here initially - but the availability of statistics in the past. Were you in agreement that they were not there or they were very difficult to come up with?

Mr. Baetz: The statistics?

Mr. Chairman: Yes.

Mr. Baetz: Well, I do not think -- I think that there are some statistics available but not all that many. I mean, there have been a few studies done, some research studies have been done. I always worry about social research, it is full of biases. You can prove almost anything you like, but I would think that with an expansion certainly your data base would have to be spruced up, it would have to be expanded, it would have to serve as a good guide for analysis for future programs.

I think, for instance, at the present time 80 per cent of the people are still looking after their children in an informal way; i.e., either in their home or with grandfathers or aunts or uncles or neighbours or whatever, it is 80 per cent. You see there may be statistics, there may be some studies available as to precisely why, why that big percentage. Is it only because there is no affordable accessible space available, or how much is it because, in fact, they prefer it that way. I do not know.

Mr. Cooke: But we do not even have the data right now on the mix of the spaces that exist in Ontario, we do not have the data on the violations of the Day Nurseries Act. I mean there is no central collection data base at all.

Mr. Baetz: Well -- and obviously if there is not there is not, but if we are going to be making any major breakthrough in the whole field, I think a lot of this has to be developed, has to be developed. I mean, or you are flying by the seat of your pants.

Mr. Chairman: Are you finished Mr. Baetz?

Mr. Baetz: I guess that is it for now.

Mr. Chairman: Anything further, Mr. Johnston?

Mr. Johnston: Well, I am just wondering, there have

been a number of areas of debate...

Mr. Chairman: I think we have heard some consensus.

Mr. Johnston: ...that we heard in our opening statements and there are some areas of consensus, but I have got a feeling in each of the areas there may not be, including the basic principles from what Mr. Baetz was saying about the parameters we should look at this within, but I am wondering, rather than going into a sort of free flowing response to each other at this stage, we might be wise to decide what structure we want things to fall in and then as we go through each one of those and say on the statement of principles what would we want in or not and have our debate restricted to that and if we want to get in to some of the other matters, then we might do that and spend the next three minutes trying to develop a structure that we would all be happy to work within and have our debate within each of those categories.

Mr. Cordiano: I think that is appropriate. I think that in the past the committees I have worked on, the researcher usually puts down on paper a number of recommendations or areas that we are looking at and I do not know if we are going to proceed in that fashion, but I would assume we would and we can just come up with a structure now and I do not know what we would do next; look at specific recommendations or I would think that we could just proceed from there.

Mr. Johnston: Well, Mr. Cooke wrote down a few things and I will just give you an example of what he is normally confused by and it is pretty structured here. It is quite amazing.

Start off with something about the -- what is this? -- why we are studying the issue, what is behind it and then a statement of the principles, deal with the question of the current status of the system, issues arising and then recommendations, and that would be the kind of organizational structure that he was thinking. That is one suggested way of doing it and then move from there.

I read that fairly quickly and I do not know if that is suitable or not, but...

Mr. Baetz: Mr. Chairman, if for example that it is felt that the mandate for this committee for this particular assignment was to state pretty well within the parameters of the commercial request of commercialism, well fine. I mean, our main thoughts should be directed there, but I would hope in doing that at least we recognize that there is...

Mr. Chairman: I think there are.

Mr. Baetz: ...there is a lot out there that we are not going to cover in this.

Mr. Cordiano: Although I state those things as well, I do not see that that would infringe on the ability to do that and the committee to make those kinds of broad statements and recommendations with respect to the entire system.

Mr. Baetz: Yes.

Mr. Chairman: I think we have reached a number of items that are consensus. Number one, that in the past it has been viewed as more or less a welfare type of service. I think generally from what I hear from all of the speakers, that seems to be certainly either gone totally or on its way out. Mr. Baetz sort of did not have a run at that one. I thought you were saying it was gone, but then I think you said if not gone it should be on its way out now.

Mr. Baetz: Yes.

Mr. Chairman: I think the other thing that came out loud and clear perhaps was that the program arose without any clear direction at first, it just arrived and the make-up is in terms of for-profit and not for-profit. I do not think that is denied either and then perhaps the lack of quality of information that was kept as Mr. Cooke raised it, being not centrally kept and I think we can probably arrive at those as being items of consensus and move on from there.

Mr. Cooke?

Mr. Cooke: I am just wondering if we could agree on the outline and then maybe discuss the options under each and then research can do a draft report and then we would have to get together again and vote on the options.

Mr. Cordiano: Yes.

Mr. Cooke: But it might be a good idea if we did the outline today. I mean eventually we are going to have to have a draft in front of us that we actually vote on and it is going to have to be done fairly quickly. I mean, if we can agree on the outline today and discuss the options under each heading, then we are going to have to try to get together in that first or second week that the House is back to actually finalize a report, otherwise if we wait much longer than that it will not be terribly relevant.

Mr. Cordiano: I think we should make that effort to come up with as much as possible within the next couple of days, today and tomorrow, and then we are going to have to meet again. So there is no way of getting around that.

Mr. Johnston: I think that is true and if we were to do what David suggested, just to agree on a format and then lay out some of the options, we might to and tomorrow be able to decide which ones we have consensus on so you would have to lay out all the options, but if there is an easy consensus let's put it in and then for the ones we do not have consensus on lay down the varying positions and then come back and have our votes on that at another time, or if on those it is clear where we are going on some parts, we could have the votes then, as far as I am concerned, but if we can start off with the generals and then move ourselves down to specifics in each category, I think we will move faster through this.

Mr. Chairman: Can we hear Mr. Cooke's suggestion? Could we hear those again?

Mr. Cooke: Well, I was just suggesting that we start off with an introduction that would state why we are studying this issue, then a statement of principles and the principles being what child care is all about and why and the philosophy in the 1980s for child care, the current status of delivery of child care in Ontario, which would deal with issues like the spaces that exist, where they exist, how they exist, as well as the data collection and the inspection process and the weaknesses therein, and then the next section would be issues arising out of the current status, so we would deal with the problem of lack of data collection and mix and whether the mix of non-profit and profit is adequate and so forth. So deal with the issues under there and then the final section would be recommendations.

Mr. Cordiano: So let me get that again. Four basic parts to your report: statement of principles or concepts...

Mr. Cooke: Well, introduction statement of principles, current status, issues arising...

Mr. Cordiano: And recommendations.

Mr. Cooke: ...and recommendations.

Mr. Cordiano: Okay.

Mr. Chairman: Does that sound reasonable to other members of the committee?

Mr. Cordiano: Sounds pretty good.

Mr. Reyecraft: Mr. Chairman, if we work on that and we find that framework is inadequate, if we need to add some other sections, I am sure we can do that at another point.

Mr. Johnston: I agree.

Mr. Baetz: Introduction would include the specific mandate given to this committee?

Mr. Johnston: Probably not more than that, but probably just that.

Mr. Cooke: Well, we might want to talk a little bit about why we chose this topic and the people that appeared before us in the three weeks.

Mr. Cordiano: And how that fits into the reasons for the existence of this committee, basically.

Mr. Reycraft: We can explain why the select committee on health is studying child care.

Mr. Cooke: Well, this is the select committee on commercialization of health and social services.

Mr. Baetz: For a long time.

Mr. Chairman: Is there a consensus then that we adopt that format or something similar to that and try to work on that?

Mr. Johnston: Sure and use that as our work base.

Mr. Cooke: That is all I am doing for 90 bucks.

Mr. Johnston: That is probably the most cogent work he has done.

I gather you would probably have a consensus about the intro as well, that it would be the mandate for setting up the committee, then why we chose the child care issue in terms of the balance of spaces and a study that was done for us before, then who appeared before us to give an idea and how we went about that.

Mr. Cordiano: You can incorporate that in part of the report.

Mr. Johnston: Incorporate what the committee has done already and that is about all we need in the intro.

Mr. Cordiano: Yes. Basically a summary of the briefs that have been made to the committee and the mandate of the committee and also maybe a brief summary of some of the issues arising out of what we have heard. I do not know if you want to do that in a summary format in the introduction, just some brief comments about some of the issues that we may have looked at.

I do not know if we should do that in the

introduction. We have done that in some other reports, but perhaps you would like not to do that and deal with them in more specific detail only.

Mr. Chairman: It seems as though the consensus items will not be all that much trouble but when we get down to what seems to be the nub of this situation and listening to Mr. Baetz you seem to have a far more -- and this is not criticism -- but a far different view than perhaps Mr. Leluk had. Maybe in terms of us getting at that and voting and so on it may create a bit of a difficulty.

Mr. Johnston: To be fair, I think the question that Mr. Baetz-- the first major area of major discussion that I see taking place is in the next section of Mr. Cooke's suggestion, that is the whole question of stated principles...

Mr. Baetz: Yes.

Mr. Johnston: ...and the definition of what is child care and what are the parameters that we are looking at. And then there is what Mr. Baetz is arguing, if we are going to look at it in the broadest overview possible and the mandate of the committee may be more strictly commercialism versus non-commercial role, and what we may want to do -- again I think the options are, to go the larger route and see if we can accommodate that or to talk about why we are going the narrow route and what we are not presuming to deal with but needs to be discussed or...

Mr. Baetz: Looked at.

Mr. Johnston: ...looked at or whatever but it is not within our parameters. That would be the trade-off. I do not know how you would feel about that, Mr. Baetz.

Mr. Baetz: As I said earlier, I would be quite happy with that but I would like to see the committee at least recognize the entire spectrum, just to state it and say there we think child care really is from here to here, but our mandate for this committee is much more narrow, but I would like to see it stated, the broader view, and let somebody else then decide whether they want to start getting in on the, you know, chasing labour or looking at tax credits or whatever.

Mr. Cordiano: Then it would be fair to assume that what we would have is just a statement of some of the things we are not going to look at because of the narrow confines of the committee's mandate.

Mr. Baetz: That is right.

Mr. Johnston: But which are real issues today.

Mr. Cordiano: But if we want to look at those, I do not know, it is up to you.

Mr. Baetz: I would be quite happy just to stick within the mandate as long as we have notice that we are aware that there is this broader question.

Mr. Chairman: That even brings in the question, I suppose of whether a specific Ministry should deal with it or whether, you know, I think mechanisms.

Mr. Johnston: We can worry about that later when we come to recommendations, but what Reuben is saying is within maybe the opening paragraph or whatever of our statement of principles would be to talk about the scope of child care issues that are out there at the moment, something like that, that talks about the very large percentage of people who are looking after kids, for instance, within the home rather than using the system we are talking about and then any other issues that we think are appropriate to talk about in saying that we are constricted by, you know, this whole question of profit and non-profit.

I think that there is -- it makes it hard to deal with questions like the tax credit, for instance in this context.

Mr. Baetz: Yes, it would be.

Mr. Johnston: But it does allow you to talk about it in -- and I mean, this is something we have not really talked about amongst us, but maybe talked about in the context of, you know, are we looking at provision of child care even if we go totally non-profit.

If we go that route, just hypothesizing at the moment that well we are a consensus, I am not saying it is, but just hypothesizing, that that may be -- then if we are going the route that we want to support non-profit, is one of the things we also then want to give recognition of other kinds of options parents may look into which are also non-profit oriented and, if so, to how great an extent do we want to allude to that or do we just want to say that there are other questions begged by this like having somebody come in to your home who is just being paid a salary but is obviously not a profit-making organization and this is a legitimate choice by a parent, how does that get recognized?

Mr. Baetz: That is right.

Mr. Cordiano: I think we should make some note of that and I think the whole question of tax credit. It could probably be dealt -- I do not know -- because it really ties into the whole question of affordability, making the system affordable. I think that ties into that section of

basically some of the issues arising out of what the current status of day care is.

And so we may want to deal with that, and not look into where the committee stands on that question, but just looking at -- well, these are some of the issues that might arise from the creation of a tax credit scheme issue and perhaps not dealing with that per say.

Mr. Baetz: When we get into some basic principles very soon on the whole thing as extending as wide a range of realistic choices to the parents as possible. That is a base.

Mr. Cordiano: That is very important.

Mr. Baetz: And the other thing I think that we would all agree in this; that it would be very clear that we have got to get this thing beyond the bonds of welfare. It has got to get out of there.

I mean, certainly a big component of it would be in there, but it has got to spread out beyond that. I do not know, for instance, to what extent it will be possible when the welfare ministers - and they have been meeting - to what extent they can in fact get out of beyond welfare under the CAP, under the Canada Assistance Plan. They may be confined to that and we are sort of asking welfare ministers to change their spots. I mean you are not welfare ministers any more. The fact is they have to be welfare ministers, that is their program, but I think we have to alert our governments here that there may be have to be action over and beyond COMSOC on this.

Mr. Chairman: Kathy would like to get a little clarification on a couple of these.

Mr. Baetz: A little. You probably need a lot.

Ms. Fooks: I am clear up until the current status section. I presume you just want a description of the system as it stands, fine.

Mr. Johnston: The number of spaces.

Mr. Cooke: The lack of data..

Ms. Fooks: And then how inspection and all that kind of stuff.

The next section was issues arising. Now, there I assume would be things like affordability, accessibility, accountability, quality, but were there other things that you wanted in that section?

Mr. Johnston: Well, obviously, the issue of profit versus non-profit, community control.

Mr. Cordiano: Well, under current status we want to start off by talking about the existence of an informal and formal system and then just describing what that means and then in terms of non-profit commercial sector and the municipally-run sector being in the formal, licensed child care system and the informal system and what all of that combined means as an entire system and then moving from there dealing with the number of issues on that.

Mr. Johnston: I think a brief description of that and you have developed a couple of good tables which you may be just over confident -- I do not remember now, they lay out all the statistical numbers and umbrellas and things of that kind, I think a number of informal care. So I think if we did it as a mixture of a descriptive paragraph or two or a page of those kind of tables would be a really good way of describing the nature of the present system. It could be quite easily done.

Ms. Fooks: Okay.

Mr. Chairman: Need any more?

Ms. Fooks: No. Recommendations, I presume we will discuss?

Mr. Chairman: I think we will leave that to discussion.

Mr. Johnston: The issues arising out of -- the essential one we have to deal with, of course, is this question of the profit and non-profit mix given the nature of the mandate of the committee and we obviously have to talk about, the whole question of the proposed direct grant has to come in at that point in terms of discussion of it and then, I presume, what we are doing there is not necessarily objectively but trying to lay down the issues and the sides of the issues at that point or other, and then come forward with our recommendations later.

The committee, as you know, often agree on all recommendations or choose not to come up with a recommendation on an identified issue area for a variety of reasons or come up with a majority position and a dissent.

So that by laying out the options at that stage and before the recommendations there would be, you know, it would focus our debate, number one, and number two, it allows us those two approaches to it.

Mr. Cooke: I would like to say something about the facilities that might convert to non-profit, that what

conditions have to be put in place to make sure that they truly are non-profit. In other words, in addition to just calling yourself non-profit, how do we make sure that there is a real community control provision put in place.

Mr. Johnston: All the conversion questions.

Mr. Cordiano: If I could just make a comment on some of the issues; that perhaps we could structure them around something like the whole question of affordability, accessibility and quality and then move into some of the more detailed specific areas around those three major issues because I think those were the issues that were identified by virtually every group that has come before the committee.

For example, affordability. Do we move to an income-testing system as opposed to a needs-testing system, and then the whole question of direct grant, maintaining quality, staff salaries. I think those are some of the issues that we can have under those headings and maybe go on from there, I think.

Mr. Cooke: Staff is always hopeful that it will be one that is also addressed under current status, so it should be an issue arising.

Mr. Mitchell: That is right.

Mr. Cordiano: And then how to approach that as an issue.

Mr. Chairman: Mr. Mitchell?

Mr. Mitchell: Thank you, Mr. Chairman. Actually Mr. Cordiano finally got to the question that I had in my mind. I guess really the question I had is: Are we, within this committee, do the members that are here feel that we are going to wind up in a situation where we are, in fact, recommending total abolition of -- and I am not speaking for myself, I am just merely raising a question -- total abolition of the for-profit centres and are we, in fact, going to wind up with a recommendation coming from this committee of universal access?

I do not know and, as I say, I am asking a question because I am concerned and I made reference to it last week. There are people out there who are concerned that we are, in fact, heading in that direction, that are very concerned that they are going to be carrying the burden and I had a letter again today and that is why I am raising the point. I had a letter from a constituent today who is very concerned on the basis of the federal announcement and other announcements that that is, in fact, what we are heading for and I guess my concern is that I trust that whatever plan or proposal or recommendation this committee comes forward with

that there is still a parental contribution somehow in the overall system.

I tell you, frankly, I do not like means tests, I never have because I think they can be abused, but I still think there has to be some yardstick on which we judge and are able to say that, yes, there has got to be, continue to be, somehow or other, a parental contribution. I do not know how you answer without a means test.

Mr. Cordiano: Income-testing methods.

Mr. Mitchell: To my thinking a means test is degrading.

Mr. Cordiano: Yes, but an income-testing method is very much different from the other system that we are using now which would, in fact, take the system away from a welfare type service and make it a public service.

Mr. Mitchell: But you are in agreement that there has to be some sort of continued parental contribution.

Mr. Cordiano: Well, yes. The way I see it, we are not talking about a universally free system with no cost at all. I do not -- that is not something I will be recommending or in agreement with.

Mr. Mitchell: I guess in a way I am trying to feel out what the members of the government and members of the NDP party and what direction they are seeing us go.

Thank you, Chairman.

Mr. Baetz: I think that point, Mr. Chairman, has been made that universally accessible does not necessarily mean free universally.

Mr. Mitchell: Well, it depends on...

Mr. Baetz: I think there are people out there now who read into it...

Mr. Mitchell: That is right.

Mr. Baetz: ...that this means health care, it is free to everybody...

Mr. Mitchell: Or like the school system?

Mr. Baetz: Or like the school system, maybe eventually it will be, but I do not think that is what we are recommending right now. Maybe you are but I do not know.

Mr. Cordiano: Hopefully we are proffering a system based on the ability to pay.

Mr. Chairman: Well, why do we not leave that, that is some stimulating thought for everybody...

Mr. Cooke: Certainly one of the issues arising.

Mr. Chairman: ... to work overnight and I guess we will find out tomorrow in the unfolding chapter of this committee.

Are there any other...

Ms. Fooks: There is no need to come up with a draft tomorrow?

Mr. Chairman: No, no, no, no. We will be going into those other discussions.

Mr. Johnston: Do I understand tomorrow we intend to go into the issues arising? I do not know whether that is presuming what some of those are, list some of those tomorrow and then start to have a discussion to see which we have consensus on and which we do not.

Is that what we are going to try to do tomorrow?

Mr. Cordiano: Sure.

Mr. Johnston: I would like to do that.

Mr. Chairman: Anything further today?

Mr. Baetz: I think we have a different consensus on principles, it is when you get into the recommendations...

Mr. Johnston: I would be happy to do that today if you want, but if you want I would like to do it tomorrow.

Mr. Cooke: If all we have got left is issues arising and recommendations and canvass both, I do not know whether we can finish them all today. I mean, we have got -- we are going to give direction to research and then they are going to do a draft report and then we are coming back, so it is not as if we have to cross every "T" today, but are we going to come back just to spend an hour on this committee out of the whole day?

Mr. Mitchell: I think we are spending more than that tomorrow.

Mr. Cooke: Well, I do not think we are going to...

Mr. Chairman: Well, we have not set aside, but I

think Mr. Cooke's comment is that that perhaps is all it will take us.

Mr. Cordiano: Well, I do not really think so. I think we can probably deal with issues for some considerable time and then what are you suggesting, that we cannot have preliminary thought to some of the recommendations that might be forthcoming from some of the issues that we have agreed on, at least, and then deal with some of the contentious ones as we proceed and I cannot see why we just cannot carry on tomorrow all day.

Mr. Cooke: Can we aim to try to be done by noon then? I mean, if we say we are going to go six hours, I am sure we can all survive six hours, but we should be able to finish the two areas left by noon; should we not?

Mr. Cordiano: I do not know.

Mr. Johnston: It depends upon the debate.

Mr. Cordiano: My very brief experience has been that this is the part of any report that takes the longest because of the very nature of the fact that you are not going to have a consensus on the issues.

Mr. Cooke: But we only have one lawyer on the committee and the Chairman.

Mr. Johnston: Good point.

Mr. Chairman: That is not true, two lawyers.

Mr. Cordiano: That makes it a little harder. I do not know. What do you think, Mr. Johnston? I am going to call upon your experience in these matters.

Mr. Johnston: Well, I think it really depends a lot on what our list is like and what we try to accomplish tomorrow.

I mean, if we draft up a list of all the matters arising that we see, issues arising that we feel we should be confronting, then that will take some time just getting that list together. Then we have to go back, we should go back through them to determine which we have some consensus on in terms of recommendations and then try very quickly to choose the ones that we have consensus on and go through that and whenever we have a problem, just identify it, put it aside and go through after we have done that.

Then the determination has to be made whether or not tomorrow we would like to then start on some of those issues of controversy before we send Cathy off to do this first draft for us, or whether we wish to leave all of this as

issues identified with the options and then come back and have that debate.

Perhaps when we know how long that list is tomorrow, we will have a better idea of whether or not we should or we have something we can do in one day when we come back or whether it is something that we should try to do some of tomorrow or not.

Mr. Chairman: So it could take us several hours?

Mr. Johnston: The morning perhaps.

Mr. Chairman: Is that agreed?

Mr. Cordiano: That is fine with me. I think you just have to feel your way through these things. I think you just have to feel your way through and see how far, I would imagine.

We are definitely going to need one more day after tomorrow.

Mr. Johnston: Yes, one way or the other.

Mr. Chairman: All right. We adjourn until ten o'clock tomorrow morning.

The Committee adjourned at 3:46 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

TUESDAY, APRIL 14, 1987

Morning Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson

Clerk: Deller, D.

Clerk pro tem: Manikel, T.

Staff:

Fooks, C., Research Officer, Legislative Research Service

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Tuesday, April 14, 1987

The committee met at 10:21 a.m. in room 1.

CHILD CARE REPORT

Mr. Chairman: I recognize a quorum. Are the members ready to proceed?

Mr. Cordiano: Yes.

Mr. Chairman: Shall we start? Mr. Cordiano?

Mr. Cordiano: Sure. I think we were going to deal with issues arising out of some of the principles so I think we should begin there. I do not know if you have a set of issues you want to deal with first. I would be more than willing to listen to yours and we can go from there.

Mr. R.F. Johnston: Maybe we can deal with the ones we do have a consensus on and then go back to the ones we do not have consensus on.

Mr. Chairman: I think that was what we discussed yesterday, Mr. Cordiano, that we decide on the items that we do have a consensus and then get to the ones where we do not have a consensus.

Mr. Cordiano: Well, perhaps we could start with Availability and looking at that as a major issue. We talked about perhaps the whole question of licensed care as opposed to non-licensed care, or the informal system as compared to the formal system, and issues arising out of that. I think that we should be looking at some of the figures if you want to deal with that. Although we are probably going to have some quarrel with regard to the figures, our Ministry estimates that about 20 per cent of children whose parents work use licensed care.

Now, that might be a bit higher than figures that reflect the total number of children in licensed care because that only deals with parents who work. But I think that is an important figure because if we are looking at child care as of economic importance to parents who want to work, then we are looking at that figure as being very significant, and it does not say much more than the fact that we need a far greater number of spaces and we are just not meeting the demand.

So I think we can certainly say that and we can probably agree that demand is not being met, availability is

not there, and obviously for those parents who work, we need more spaces.

Mr. R.J. Johnston: Shall we deal with that? I have no difficulty with us using that government figure in terms of the parents who work if you could show me how it is arrived at. My difficulty with limiting our discussion of the need of that is that I would presume there are a lot of parents out there where one of them is not working because of the whole question of affordability, availability, and therefore would like to be making an economic choice to be working but find themselves not able to make that choice.

So I would think that if we were to put in that actual figure of your estimate on that, the government's estimate on the 20 per cent figure, then we should also then talk about another group which we cannot quantify which would perhaps want to work if they could or be in the workforce if they could but cannot do so because of the economics or the availability problem.

Mr. Cordiano: Okay. I --

Mr. Chairman: Excuse me, Mr. Cordiano. Mr. Cooke?

Mr. D.S. Cooke: I would also like to make the point that both within the principles and issues arising that a 20 per cent figure would also completely neglect any family that perhaps one of the parents is at home but child care is going to be used as a mechanism for a preventative social service or a helpful social service for a child that is already exhibiting some behavioural problems. So that the 20 per cent figure can only relate to this issue in terms of economics, and access to the workforce I think misses the other part of the need for child care, and that is an early childhood education program.

Mr. Cordiano: I simply pointed that out. I was not making a case that we deal with that factor alone; I just point that out. I would say when one considers it as an economic issue then one has to look at the fact that 20 per cent and not something that you quoted throughout our hearings -- 10 per cent -- of licensed care of all children -- and this is 20 per cent of those children whose parents work -- are using licensed care. That is the figure I am using.

Mr. R.J. Johnston: This is 20 of per cent of children whose parents both work, I presume you are saying?

Mr. Cordiano: Yes.

Mr. R.F. Johnston: The figure I was using before, which I would not want to see lost out of this, even if that figure is accurate that you are putting forward for both

parents working, is the fact that a lot of people are making decisions at the moment around child care or, in fact, even having children, probably around the economics of whether or not it is useful going back to work when the entire salary of one of the spouses is going into child care anyway; and therefore that has to be raised.

I think the point Mr. Cooke is making is a good one in terms of taking a step back to the principles about why we want child care. We do not want it just as an economic policy for women who wish to go into the work force but also in terms of the early childhood education side of it and the potential for identification of problems and that kind of thing as well.

Mr. Cordiano: Keeping in mind, in the final analysis, the choice of individuals to do that or not to do that.

Mr. D.S. Cooke: Of course; but we have to put that in place.

Mr. Cordiano: I just say that for the record.

Mr. R.J. Johnston: I think that principle of it being non-mandatory, of allowing people to make their own decisions about what they do with their kids is one we accept and then following from that are the other -- If you are going to allow people to have real choice, then it has to be affordable so they can make the choice on that basis, and they have to have some choice as well.

Mr. Chairman: By inference I guess, too, we are stating there is a consensus that we are taking it from the former view of it being a welfare service into something more positive.

Mr. R.F. Johnston: On which we had a consensus.

Mr. Cordiano: Okay. And I think we should also note what Mr. Baetz was alluding to the other day, the fact that those parents who choose not to access the formal system or an informal system, that is, to have someone else look after their children, that those parents who choose -- one or the other of the spouses choose to stay at home with their kids -- should somehow have the same kind of recognition in financial terms by the government or at least let us use that as a principle to start from and see if we can address that.

Because I do not think it would be fair, if you decided to stay at home and look after your child, then somewhere down the line your taxes would be going through general revenues to pay for some of these offsetting costs for some of these programs that we are going to bring about into the future. I think there is some question of being

equitable to people right across the province in that fashion, giving them that real choice. And I think that what we are really talking about is if we are giving them the choice then they also have to have the choice to do that in their own homes and be parents for their children twenty-four hours a day if they want to.

Mr. Chairman: Yes.

Mr. R.F. Johnston: In that we may have differences of opinion and I think it is all going to depend on how we word it out.

For instance, if I look at the education system at the moment, although we allow the people the right to make the choice to send their kid to Upper Canada or one of the private schools, we basically provide a direct service of a public education system.

And if you look back to what Katie Cooke's Task Force was saying, they were basically saying that the money should go into the provision of spaces so that that option was there for people and not, as the decision was being made to go entirely in the tax credit kind of notion and almost establishing a voucher system, if you will, for the day care system out there.

And I think that there are questions raised by us going too far along the notion that you just leave it absolutely to parental choice. If I could raise the 'for instance' of your suggestion, Mr. Cordiano, that in fact we do want to see growth in the non-profit sector and that we do not want to see a commercial growth from your perspective. If we were to just go the tax credit route, for instance, and equality on that kind of basis, it would allow people the option of purchasing into a for-profit system and would be, in fact, an indirect grant to a for-profit system to be able to maintain it. And I am wondering if that is not counter-productive to what we are discussing as an option for providing a public service out there to be made available to people.

So I guess I am saying that I want some recognition of the worth of child rearing both in and out of the formal system and therefore in the home, but I worry a little bit about the language we might use and how precise we might try to be in this committee in terms of where things like tax credits would go.

I have very serious problems with the federal initiative on this in terms of what it is really going to address, in terms of who it helps, in terms of the economics of it, just who gets the benefit of it, and also in terms of the whole creation of spaces -- what kind of spaces does this indirectly produce rather than us being sure of

developing our own system on it. So I have some problems with us doing too much in that area.

Mr. D.S. Cooke: We need to know how big the pot is, too.

Mr. Cordiano: Well, I think what we are trying to do is approach it basically from a set of principles, and if we believe that child rearing is something that is a viable alternative and indeed one that must be available to people to pursue, then I think somehow there has to be a recognition of that in terms of government policy and in terms of the kinds of financing, if you will, because the tax credit is lost revenue to the government and is direct funding -- indirect funding, rather.

So I think there has to be a recognition of that somehow in our policy, and if we do not believe that, then I think there is a fundamental difference in that concept. I think there is a fundamental difference.

Mr. R.F. Johnston: I think what we can do is agree that the issue should be identified, and that is where we are at now, at the identification of issues. And I think that that issue should be identified now and maybe Cathy can try to lay down some of the perspectives of that. Perhaps whoever gets in, as well, we will sort of put that forward, but we probably will have to hold up any kind of notion of recommendation -- which is the next stage you are sort of speaking to now -- until we have that paper before us.

Mr. Chairman: Mr. Baetz?

Mr. Baetz: Well, I was just going to say essentially the same thing. I think that we have to clearly identify this as an important principle or issue or whatever you want to call it -- the fact that some parents will choose to look after their own children in their own homes during the very young infant bonding years.

And I think as a matter of public policy that fact has to be recognized and, without going into the details as to how big the tax credit should be or if there should be other financial incentives or whatever; but at least to recognize that as a part of public policy, some parents will want to do it and they should be provided with some financial incentive. I mean, the two hundred bucks a year tax credit is not going to replace the lost income of a mother or a father going home to look after children. But we are not talking about levels here; we are talking about a principle.

Mr. Cordiano: That is what I was trying to get at and I think we can deal with specifics perhaps in the Recommendation section or just not address it at all if we do not come to any kind of consensus.

Mr. Chairman: What is the -- just as a matter of curiosity, maybe I could ask Cathy: What is the situation now in terms of a parent who goes out to work and has either an informal or a formal day care service; are they entitled to deduct that from their income?

Ms. Fooks: Two thousand dollars.

Mr. Chairman: So there is recognition of that.

Ms. Fooks: Yes.

Mr. Chairman: The statement that Richard makes about the kid that wants to go to Upper Canada College as opposed to going through the normal systems, there is in fact no deduction to a parent at all because the deduction is related to the kid, which has always, to my mind, been a little unusual in that the kid never makes enough money to take advantage of it and at the same time the parent is paying full taxes for a publicly-funded or a separately-funded school.

So there is quite a difference there I think. The step that would be taken would be a significant step taken from what is really going on right now within the educational system.

Mr. D.S. Cooke: If you pay private tuition you are allowed a deduction, not a tax credit.

Mr. Chairman: No. You are allowed it in university; they give -- I think it is \$50 or \$100 or something like that. But in the secondary level if you choose to send your child to another school, the other person that gets the benefit of the deduction is the student. And the anathema of that is that the truly -- at least many years ago -- the truly wealthy people, they could set up a family trust and channel money to this child, and the child could then use that family trust to write off the tuition so it really created an inequality for those people who were very wealthy from those who were not.

Mr. D.S. Cooke: I guess normally if you are going to Upper Canada College I would assume that they would be able to use that, I guess.

Mr. Chairman: Not necessarily. I suppose there are lots of them there that are there under very difficult financial family situations.

Mr. D.S. Cooke: He would be able to take advantage of it; you are right.

Mr. Baetz: You are using the illustration under the

educational field, and of course we are dealing with child care here which is another field. But I think the one thing we should bear in mind is that there are many parents where both have been working and where one drops out to look after the infant at home for a two or three year period, but that these are not people who are always the wealthy.

I think we sometimes make the mistake here that this is something only the rich can afford. There are a lot of people who, through a matter of choice and who through real sacrifice to themselves, somebody drops out of the labour force -- usually the mother -- for one or two or three years. And it is not just the rich who can send their kids off to Upper Canada College.

Mr. Chairman: Mr. Johnston?

Mr. R.F. Johnston: Again, I think we have identified an area, an issue, that needs to be highlighted but also an area where I think there might be differences on the notion of recommendations so we probably do not... At the moment, what we should be doing is going on to other things and then coming back to that if we have time today to get back to the debate. Because I think the issue does revolve around the provision of a public service and to what extent, versus the notion in some way that is in opposition to or at odds with the notion of provision of a tax credit kind of approach. And the two may be able to be married in some way and I sense that is sort of what Mr. Cooke is talking a bit about.

But I would want us to think that through a little bit more before we go that route and remind members what the Katie Cooke people, the kind of decision they made, and then of course the Parliamentary Committee went the other way on it. So we have that debate happening at the federal level as well on this.

Mr. Baetz: It is not an either/or. What are the other issues?

Mr. Cordiano: If I could just move on to another issue. Stemming from availability, when we talk about availability, we have also to talk about the unequal access or the fact that child care is unevenly distributed throughout the province; in certain municipalities it is more available than others.

So I think that is an issue in terms -- and also rural areas, et cetera. I did not want to leave those out. I just wanted to point out that it is unevenly distributed throughout the province and access is definitely -- it is not there for most people who want it because of geographical considerations and also various municipalities. So I think that is an issue that we definitely have to look at.

Mr. Chairman: I think we are in agreement that we also have a consensus on the fact that the statistic gathering in the past has been bad, if not lacking, and because of the lack of a centralized data base we have difficulty with that. I think we have a consensus on that, that the gathering of information, with it being decentralized, is not allowing us to have accurate information available, and that really stems from the past as to what was going on.

Mr. Cordiano: We can address that at this point or perhaps as another issue, but I think that is an issue, for sure.

Mr. R.F. Johnston: Just structurally, I think we have a consensus on that. I would want to spell that out a little bit, but I am wondering, structurally, where we want to put this.

We are now talking about the availability issue and then there is affordability and then there is quality. I am wondering if we might want that under Quality in the sense that it is very hard to make decisions or ascertain levels of quality without information gathering from the inspection reports, for instance - which we have never seen - that kind of thing. But we may want to keep it separate, the whole question of data, keep it as a separate issue. I am open either way.

Mr. Chairman: Anybody have a preference?

Mr. Cordiano: That is probably more appropriate, I would think, for the reasons that you have indicated. I do not see any problem with putting it in, say, the Quality section if we are going to deal with that as a major issue and then all the other issues stemming from that. And I think that would be appropriately dealt with there as one of the things that flows from the whole question of quality.

Mr. R.F. Johnston: I am easy.

Mr. D.F. Cooke: What section would we put some reference -- we may not agree with the answer -- but on financial accountability and accountability in general?

Ms. Fooks: I assume we want that all under the current status.

Mr. D.S. Cooke: Yes, but it is then an issue arising out of the current status.

Mr. Cordiano: Well, it does not have to fall under one of the three sections or themes that we have detailed. I think those could be other issues or additional issues or

whatever.

Mr. R.F. Johnston: Again, it depends. We can either put it down as additional or I would even put it under Quality, under accountability -- I think you could tie that into quality quite well.

Mr. Cordiano: Okay. So I have dealt with availability. I am sorry.

Mr. Baetz: Go ahead.

Mr. Cordiano: Do you have anything else on availability, Irving?

Mr. Baetz: I was just wondering where, if anywhere, we will be dealing with the municipal government role in all of this. I mean, we talk about the federal and provincial but are we going to say we are silent on the subject or we do not see a role for municipal governments or, in fact, we do, and if so, how big is it?

Mr. R.F. Johnston: I think --

Mr. Baetz: Is that an issue that we can --

Mr. Cordiano: I think that ties into the whole question of availability and the uneven distribution of services across the province, and I think it is through the municipalities that services are provided from municipally-run day care operations in addition to those.

You are asking what role would the municipality have in the establishment of non-profit centers. Indeed, in the purchase of service agreements there is that to be considered. I just think that we could tie in the role of the municipality in this section here and I think that that is what I was trying to suggest when I said that there is uneven distribution throughout the province in that...

Mr. Baetz: As soon as you see municipalities playing a key role to provide uniform accessibility across the province, then you cannot any longer leave it as a permissive kind of thing. And that it is up to the municipality because, as we know, some municipalities are very interested in child care and others are not.

Mr. Cordiano: Yes.

Mr. Baetz: So what stance does the provincial government take on this? Is it a little more directive?

Mr. Cordiano: I cannot say because that is not something -- I can just tell you from my own personal opinion, point of view, that I think that it would be

prudent for the province, I suppose, to take the lead in encouraging and indeed providing some incentives for municipalities to go along with government policy on a province-wide basis. So I think there is a question there of some funding mechanisms that could be looked at -- perhaps in the area of capital, perhaps in some other areas; I am not sure.

Mr. D.S. Cooke: But would not the increase in the non-profits, will that not... I mean, you can address the issue of municipalities and say they are one of the mechanisms for the delivery of non-profit child care, but the priority of who develops and provides non-profit care may vary from community to community. So it may be that in one community, instead of the municipality, one of the major providers may be labour unions and rotary clubs and church groups that are non-profit, community-based groups.

Mr. Cordiano: Well, let us not get the two things mixed up here. We have municipally-run operations --

Mr. Cooke: I understand that.

Mr. R.F. Johnston: Surely what we are doing now, I think, is again at the stage that Ruben has identified an issue. And I think that under availability there is the question of the municipal role and that then we could agree there may even be something under quality. Because some of the evidence we saw in terms of the federal study was that the ones with the highest quality seem to be municipally run, as I recall -- or at least with the least variance of low and high. So we might want to deal with it again there.

It begs another question which you have just alluded to, Mr. Cordiano, and that is the question of availability of capital start-up costs and that whole question about just how easy or how hard it is to get a day care initiated these days. And so that raises that issue area again which there may be differences of opinions on the recommendations coming out of it, but certainly it highlights that problem area.

Mr. Cordiano: I was just going to move into that next. I was thinking of dealing with that in the affordability section but it ties into availability. If we increase the numbers of spaces, then obviously the service will be available.

Affordability more appropriately deals with the individual's ability to pay for the service. So I think if we are talking about expanding the non-profit sector, expanding the entire system in the non-profit sector, and that is the thrust that we are going in. That is not to say that municipalities cannot expand or continue to expand services by their efforts. But as we have all identified, I think most of the growth would be in the non-profit sector;

that is the more realistic scenario.

So therefore I think we should make or identify the issue of capital and the kind of incentives that the government should be offering to non-profit organizations; I do not know how detailed we want to get with that. I think, to my way of thinking at this point, I think we just simply say that the government must make funds available to non-profit organizations for capital funding; indeed, make a major commitment, a financial commitment, to that end.

Mr. Chairman: Just to go back, if I could. Cathy just leaned over and said she is not quite sure what we want to do with municipal operations, and I think we have to give her some clear -- unless you want to leave that...

Mr. Cordiano: I think we simply say that not all municipalities are at the present time even taking up the opportunity to cost share with the province to initiate or commence some of these day care operations that we see all over the various municipalities and indeed in some there are none at the present time.

So I think we have to say some sort of statement to the effect that we have to encourage, as a provincial government, encourage municipalities to take up some of that cost sharing arrangement with the province, and we may also have to look at new funding mechanisms for that if there are municipalities that cannot afford to do that. And that is more or less what I was saying before.

Mr. Chairman: Does that make it clear or is it still clouded?

Ms. Fooks: Fine.

Mr. R.F. Johnston: Again, I think we are identifying an issue and within that issue there are a number of questions. One of them is how much do we want to rely on the municipal level and therefore on the property tax as a base for the funding of child care? I think that is a very interesting social policy question. When you look at what is already on the property tax and that there is a fair amount of social services on it in terms of welfare costs and that kind of thing -- some child care, some health -- a lot of education is already picking up there.

We are demanding at the present time or talking about demanding sort of 20 per cent involvement by parents or organizations into their costs and the rest coming from senior levels of government as one option. And the other option is to go the municipal route where they pick up the 20 per cent.

In certain communities that leads to some severe

problems, the low tax base that a lot of them have. A good example would be a place like Bancroft with the mines diminishing over the years and their industrial base gone. Putting more services onto that property tax is a pretty tough thing to do to the local people.

On the other hand, you look at the City of Toronto and you say the major initiatives in day care in the city have come because of the intervention of the municipal government both in terms of taking up whatever the province has offered and also offering direct grants.

Mr. Cordiano: So there is where they have a big property tax base.

Mr. R.F. Johnston: They have a big property tax base. So on the other hand, it has been a very useful process here but on the other hand it has added a bit to the unevenness.

I think we are identifying an issue area and I am not clear at the moment where we are going to go as a consensus on what amount of the pick-up we want to be seeing taking place at the municipal level rather than through the non-profits particularly.

Mr. Chairman: Mr. Reycraft?

Mr. Reycraft: Would our position not be to support, to some degree, the status quo and allow municipalities the option to become involved in the provision of child care if they do wish to select that option? Certainly, as Mr. Johnston has pointed out, some of them have better resources that make it easier for them to do so.

You talk about Bancroft losing part of its industrial-commercial tax base because of a decline of mining, but there are a lot of municipalities in the province that have never had any significant industrial-commercial base, and because of that, because almost all of their property taxation is of the residential type, it is very, very difficult for those municipalities to become directly involved in the provision of child care. It is not that they do not want to; they are unable to.

Mr. R.F. Johnston: I would think right now I would be prepared to say that I prefer to see the status quo kind of approach with the understanding that that causes some problems that have to be picked up by the provincial government for certain other areas. That also then puts a very strange kind of pressure on municipalities. If they know that the provincial government will intervene and help provide non-profits in areas where municipal money is not going in, then what does that do to decision-making at the local level about what initiatives they will take on it? But I think at this point why do we not just identify the

issue rather than trying to have the recommendation come through at the moment?

Mr. Baetz: Certainly it is very directly related to accessibility and unevenness and the evenness of the service and so on.

Mr. Chairman: Does this not also cut into the question of the for-profit being encouraged to expand and in areas where now probably the only service you have is for-profit? Does that either become for-profit with no support, that the municipalities would be forced to get into it and perhaps can be addressed at that point in time?

Mr. R.F. Johnston: Well, it does raise this question that Mr. Cordiano and others have raised, including some of our witnesses, about the problems in new growth areas like the York Region where the new communities have really not come together yet and we want to establish non-profit care. And the easier thing to produce, of course, is commercial day care and business can just come in and establish itself.

And there are two options, it seems to me, that come out of that. One was suggested to us by a couple of groups around a community-development agency being established or the government to take on that community development work to help bring together parents to establish their own centers. And the other would be to provide assistance to those municipalities who are undergoing expansion to maybe not have to put in the 20 per cent but have a greater incentive from the provincial government to participate and for them to do the local community development work in terms of getting parental involvement in boards.

So I think you are right, Mr. Chairman, that question is raised in terms of the municipal role and some of those as part of that question as well.

Mr. Cordiano: Well, you alluded to the other problem that that might bring about is the fact that we have got to be able to measure which municipalities can afford to do it and which cannot. Because at some point if you say, "Well, the province will pick up the tab for those municipalities that seemingly cannot afford to provide this kind of service," I can see most municipalities saying, "Well, why does the province not pick up a hundred per cent?" I cannot see why --

Mr. R.F. Johnston: Well, we have a formula now -- let us not forget it -- in a couple of areas. One would be education, in which the education support from the province varies very much according to the capacity locally to raise money, which is now raising another question about other kinds of pooling, et cetera.

So there is that model which Mr. Reycraft could probably speak to at length. The other one I can think of off hand came during the height of the recession when we identified certain communities that could have their welfare budgets topped up essentially by the provincial government; and Sault Ste Marie and others were identified when they got over a certain level of unemployed for a certain number of months. So there are mechanisms for being able to determine that and it is not something which is outside the provincial government's capacity.

Mr. Reycraft: There is also the unconditional grant program through the Ministry of Municipal Affairs that to some degree recognizes the lack of commercial-industrial tax-based smaller municipalities.

Mr. Cordiano: I just want to make that clear though. I think we have to recognize that fact without making some sort of blanket statement to the effect that the province would deal with those municipalities that cannot afford to come up with programs or indeed where there are no programs available at the present time because there are certainly municipalities that can afford to do it and have not done it for other reasons.

Can I carry on from there? Just one final point under this section -- well, two points. I think we also have to put in something to the effect that programs take into account varying needs. I think we alluded to that in rural areas. Also to indicate that there is also a need for flexibility for people who work shift work and taking into account the cultural diversity of this province as well. I think we also have to recognize that as a factor.

One other point on financing, if we can just back up a little into that section. I have not thought this entirely through but just something that I think, if we are saying that we have heard that commercial centers have an easier avenue to capital or have easier access to capital in that they can go to a bank and finance their operations and therefore start-up is easier, I cannot see why that similar situation cannot be developed for non-profit centers.

We have heard stories where principals of schools have had to co-sign loans -- something to that affect. I cannot remember which witness it was that was talking about that. But I just cannot see why we cannot have some mechanisms developed whereby you can have access to capital through regular financial channels over and above what the government might be able to do and have some kind of mechanism for that that we develop.

Mr. Reycraft: Something like the New Venture --

Mr. Cordiano: Well, perhaps. That is available at

the present time, mind you. If a non-profit center were to apply for a New Ventures loan --

Mr. Chairman: But they have got to put up the first, I guess, \$15,000.

Mr. Cordiano: Well, they could put \$15,000. The government might be able to come up -- See this is what I am saying. We have to have a mechanism whereby it allows non-profit centers to be able to do that, given the special circumstances of child care operation.

Mr. Baetz: Mr. Chairman, that is rather an intriguing idea. I think that is something we might look at or certainly, again, identify as an issue or whatever about the whole concept of non-profit organizations getting loans or grants similar to the kind that are available through Central Mortgage and Housing, or whatever, for start-up costs for day care centers. Perhaps there is something in the books right now. Maybe it is being done; I do not know. But certainly I would be very interested to see the committee at least point, identify, that as one possible avenue to explore.

Mr. R.F. Johnston: I think we have a consensus on this. One is identification of part of the availability problem in terms of capital cost start-up funds as has been an identified problem by groups. So it is important to do it that way, and I think we should try to think a little bit about what mechanisms there are, whether it is sort of expansion of the New Ventures kind of notion or supplementary assistance to that or loan guarantees that the government might want to involve itself in, which might be a cheaper way of doing it in terms of the amount of money you would have to put up to actually have that loan guarantee. But I think that that is an issue area we should talk about.

I think we have probably done most of the availability things up to this point and some of these things, of course, cross into other areas. But starting them off on available, I think, would be a good idea.

Under affordability we move into --

Mr. Cordiano: Can I just -- There is one last area that perhaps we have not looked at, and that is in the informal area with availability and the whole question of having access there. I do not know what we can say about that and I have not really thought that through but we certainly should address that as an issue: the informal care system and the whole question of quality. There are issues arising from that of quality and I do not know what else we can say.

I do not think we have had too many presentations

about this area but certainly it does arise. Most of the children in the system are in the informal care sector so therefore I think it ties into the whole question of availability and accessibility. And I just point it out and I think that we also have to -- Well, I think we should say something, basically, about informal care and the kind of situation that exists now. I know you are going to address that under current status, but it is an issue -- non-licensed care.

Mr. Chairman: Just to go to that, in the informal care where someone just decides to take in more than five children, it might be through --

Mr. Cordiano: Less than five.

Mr. Chairman: Less than five -- it may be that being able to identify that having taken place and to be able to police it that is getting into another aspect.

Mr. R.F. Johnston: That is getting into the quality issue. Again if you are going to deal with the availability question, I think what we have to do is identify the issue and I have not really dealt with that yet. I am presuming that Cathy, in terms of the identification of the present situation, will be showing us how many people are choosing the informal care situation or what our estimates are or whatever on that. But the terms of the issues flowing from that around provision of --

Mr. Cordiano: Well, I think we should recognize that many people -- perhaps not just out of choice but indeed you cannot say that choice is not a factor -- there are some people who believe that a relative down the street or this person or that person whom they have known for many, many years is the right person to look after their kids. I think that is a choice that some parents make.

Somehow to suggest that we only have licensed care or... It is not really the question of licensed care; we should really look at the informal setting and that is what this is, that somehow that is not something that we could accept in our system. And I think that is a reality at the present time and some people will choose to use that sector of the system.

Mr. R.F. Johnston: I am not disagreeing. I am just trying to find out what the issue is. I think then that the Chair is actually focusing on, or what the issue starts to come down to, is that nobody is saying that there is not the right to choose that and that we would still want to allow people to do that.

What we we are talking about at this stage is provision of alternatives within the non-profit system

outside -- and we are going to debate the question of the child tax credit kind of notion which would lead into this as well -- but we are then coming down -- Otherwise, the issue that we are identifying actually comes down under quality, in my view, and the Chair is right on that, the determination of: Are these arrangements meeting the kind of standards that we think are appropriate or whatever, or is there anything we want to say on that.

Now, that is an issue area that we can identify. I am not sure what we are going to come up with on recommendations but it is identifiable.

Mr. Baetz: It is; it is indeed. And I would think that certainly one aspect of this is the observation of the limitations. While licensing is necessary, and more needs to be done, and there needs to be some quality control. But the limitations of that, of what the state can do, all of these informal, intimate, relationships that have been developed between young parents and a neighbour down the street or an aunt someplace, I do not think the state has any -- in fact should not have any -- control over that. I think these are informal relationships. It is almost inappropriate for the state to assume -- and I think, Mr. Chairman, you used the word "police" -- to police these kinds of relationships.

I think we have to recognize that these relations do exist in a very wide-spread kind of way, but that the long arm of the state surely cannot go in there now and say to these parents, "Are you now sure that your child is getting the kind of care from auntie down there that the state thinks it should have?"

I have a little problem with how far we get into governing or policing relationships.

Mr. Chairman: But why should the magic number five mean anything different than four?

Mr. Baetz: I do not know what the numbers are. I do not know what the cut-off age is, but right now it is five. But I am going beyond even where a person takes in five children in their own home and looks after them during the course of the day. I suppose in a situation like that you could say that that person is really in the child care business and therefore there should be some control.

But what I am saying is that beyond that there are even less formal or more informal relationships between parents and neighbours or friends or relatives to look after the children while the parents are off to work, and I think we have to recognize that at that point we have to depend on parental responsibility. The state cannot do everything for parents.

Mr. D.S. Cooke: But they can offer the choice.

Mr. Baetz: Pardon?

Mr. D.S. Cooke: We can offer the choice,

Mr. Baetz: That is right; yes.

Mr. R.F. Johnston: Again, on this one, I think we have identified the issues. As has been pointed out, I think some of the problems around this issue, and in my view at this stage -- and I do not think we need to debate this -- David has identified what our response has to be in the prime and that is to provide the non-profit alternative for those who wish to make the choice; those who wish to maintain the informal approach can still do so. And we may want to discuss at some length to what extent the state's arm should get involved in that, and I think some of the caveats we would put on that are wise.

There are some real limitations in terms of how far you would want to go on that. But if people have the choice, which we do not feel they do because of the lack of availability of the other options at the moment, a number of them might choose the more formalized setting if it was there and affordable and they do not at the moment.

Mr. Cordiano: Well, I brought it up because I think it ties into the whole question of large geographical distances where it may not be feasible to have a formalized setting, and therefore people are using an informal type of care -- care giver -- to provide that type of service, and as a result they have no choice. But it is not simply because the services are not available to most people; it is just not available in their area because of geographical considerations.

But I think we should just point it out as an issue and then deal with the recommendations after.

Mr. Chairman: Okay.

Mr. Cordiano: I do not have any further comments on that section.

Mr. Chairman: Mr. Johnston does.

Mr. Cordiano: I think we were going to move into affordability. So if you want to lead off with that, Mr. Johnston, then take the ball and run.

Mr. Chairman: Just to go back, if I could, for a second to accessibility. What happens in areas where there is neither availability of for-profit nor is there not-for-

profit and the closest facility is unreasonable and they perhaps are not in a situation to work out an informal arrangement? How is that addressed at the moment?

Mr. Reyecraft: Through some kind of home care, private home care.

Mr. R.F. Johnston: If I can just give an example of what is done in an urban setting that could easily be done in a rural setting, and that is a place like Toronto has several umbrella groups which organize private home care and make sure that the standards are met and that kind of thing and then give ongoing supervision. That is the kind of thing you could provide in a rural area or a very broad geographical area -- let me think -- the Wellington-Dufferin area.

Mr. Cordiano: I think that is being done now to some extent.

Mr. R.F. Johnston: So that could be enhanced. I think back to the 1950s when my mother ran a nursery school outside of the village of Salem -- R.R. #1, Salem, Ontario -- at that stage had kids coming in from concession lines, five, six, seven, eight miles away from us at that stage, kids being brought in. So it is something that can be organized and assisted. There are only a few really isolated areas in the province where it would be tough to do. In parts of the north that would be fairly hard to organize.

Mr. Baetz: Was it a well run one?

Mr. R.F. Johnston: It was exceptional.

Mr. Baetz: It would meet your standards?

Mr. R.F. Johnston: It met my standards. Good family participation, as I recall.

Mr. Cordiano: We see the end results of that.

Mr. R.F. Johnston: Unfortunately, only my sister benefited from that; I was down at Salem Public School at that point. I appreciate your thinking I am younger than that. That is very kind of you.

The question of affordability becomes a difficult one in terms of the question of again -- The tax credit issue gets raised with this again in terms of this being of assistance to people, to be able to manage the costs.

The other question that, of course, comes out of it is the direct subsidy or the direct grant notion to the sector to allow them on the one hand, perhaps on the quality side

of it, to enhance staff salaries; on the other hand, hopefully to reduce costs to the parent who at this point is carrying so much of the load unless they are financially subsidized because of their low income.

And this raises a couple of issues out of this. One of them is maybe the crux of our discussion as a committee in terms of our mandate and that is the profit or non-profit choice in giving grants. And I am just presuming from policy on this, that we have seen at the moment, and positions taken during committee, that we have differences of opinion on this in terms of whether or not grants should be provided to both areas.

Our position is clear, that it should only go to the non-profit system and not go to the profit system. The government's position seems to be that for those existing for-profits, they could get it as well but that in the long run any new for-profits would not get it, as I understand it. I am not sure of the Conservative position. I have heard different sorts of perspectives on this.

Mr. Baetz: It is emerging.

Mr. R.F. Johnston: It is emerging? Because I happen to have with me a wonderful statement given by a critic, Mr. Cousens, May 7th last year. I remembered it because I happened to come behind him as we were making presentations to the federal parliamentary group. On page 5 of this statement that he read that day in that wonderful booming voice that he has -- so it is very clear to all of us who were there -- he did say that matching provincial grants to licensed non-profit spaces was one of the emphasis.

Mr. Baetz: Non-profit.

Mr. R.F. Johnston: Non-profit spaces, and there is no mention anywhere of funding to the profit sector. In fact, the next item is to match provincial capital and start-up grants provided to every licensed non-profit center. So I was sort of presuming that the Conservative position was this, and later enunciated by Mr. Grossman. But I am unclear, Committee, and I guess it will emerge.

Mr. Baetz: It is emerging.

Mr. Cooke: Re-emerging.

Mr. Baetz: Long and deep thought has to be given to this.

Mr. R.F. Johnston: But I think that that becomes the crux of our debate in a lot of ways in terms of the differences of opinion, and I guess we have to come back to that at this point. I would like to get back into it now,

but at this stage I think we are identifying the issues and we then will come back to these for debate later in the morning or whatever.

Mr. Cordiano: Could I just comment on that point with reference to two issues really that will arise from that. Firstly, the whole question of moving from a needs-testing method to an income-testing method for providing subsidy. I am just raising an issue that I think is really fundamental at this point. I think we have to determine from this the moving away from a needs-testing method to an income-testing method and what arises from that.

If we are going to move in that direction, then obviously the whole question of the Canada Assistance Plan -- the federal-provincial cost-sharing arrangement. If we are moving to an income-testing method, parents who now use commercially-operated centers will not be eligible for a subsidy if we move to an income-testing method; only non-profit centers will be eligible.

So again this brings up the entire question of not just with the direct grants, mind you. There are two things happening here at the same time.

Mr. R.F. Johnston: I think that it is really important that we keep them separate, if I might, Mr. Cordiano, and you have been linking the two things. Because it seems to me you have, right now, within the present Canada Assistance Plan, the capacity to give direct grants. So that is there and the issue of dealing with that can be dealt with in that context and we have to make our decision as to whether or not we would want to go in the commercial section as well. And if we do, then there are problems with the present Canada Assistance Plan. So that is one area.

Then there is the whole question of the revision of the Canada Assistance Plan, which some of us are getting quite suspicious about. I mean, some of us who are noted for our paranoic kind of tendencies anyhow are beginning to wonder if in fact the fix is already in here and that the various provinces across the country have already made their deal on CAP, and that this decision to go commercial is part of the decision that has already been made between the federal Conservative government and the majority of the provinces.

That is why we are continuing to hear it phrased as it is because there is nothing to say that a new revision of CAP, if it is opened, could not include any kind of definition of income-testing that it chose to and that the ground rules for that could be changed. So it begins to sound to me like that decision is already made and that there is a fix in.

Mr. Cordiano: I do not follow that though because there are numerous provinces that use the income-testing method now.

Mr. R.F. Johnston: Sure.

Mr. Cordiano: And you might say, "Well, the province can go it alone a hundred per cent and use an income-testing method." There is nothing but dollars to stop us from doing that, but I do not think that is a feasible route.

Mr. R.F. Johnston: No, but what I am saying is that of course that is an option that a couple of provinces have gone for already. But at the moment what I seem to be sensing is that in the negotiations with the federal government, Ontario is already saying it does not want to spend that hundred per cent dollars on its own because of the numbers --

Mr. Cordiano: The numbers.

Mr. R.F. Johnston: It is a very big dollar item in the government's view, and therefore they are willing to talk about a change to CAP in general in the income sharing -- sorry, the 50/50 sharing -- divided between the government at the moment on a new basis. And obviously the federal government is asking for some sort of trade-off on that, and I am not sure what it is but it almost sounds like it is already decided and we are now trying to make things fit the new form before we have gone that route.

But anyway, I have no problem with identifying as an issue the whole question of income-testing versus means-testing and to talk about that in the context of why this committee was established in terms of the desire to move away from this one perspective -- the desire to move away from a welfare base on day care. I have no problem with then raising some of the issues that come out of that; I am just not sure what the end results of it are in terms of the conclusions.

Mr. Cordiano: Well, we will leave that for later, but the other issue stemming from that is the fact that that does take place. When you move to an income-testing method, without the kinds of changes that might be required to allow parents who now access commercial centers to be tested on an income method, then what we are going to be doing is disadvantaging those people who now use commercial centers, and I think that is an issue where we are parting company.

Mr. R.F. Johnston: Well --

Mr. Cordiano: You are shaking your head. And that has been the crux of our fundamental difference, but I think that is what we are talking about here, is abandoning those

people who now use commercial centers, not having the ability to be income-tested, and therefore limiting the ability to subsidize those spaces. You are creating a two-tiered system at that point.

Mr. R.F. Johnston: Well, I presume you do not want us to get into this debate but just to identify the issue --

Mr. Cordiano: That is the issue.

Mr. R.F. Johnston: Sure it is, in your mind, but what it raises, if I might, is a lot of questions around going back first to the profit/non-profit mix and do we want to have non-profits. And if we do, then how do we go about ascertaining that we are only going to have non-profit and phase out the commercials?

Mr. Cordiano: Just a second. You are changing the terms of reference from your last statement.

Mr. Cooke: Well, it is basically the terms of reference of this committee.

Mr. R.F. Johnston: If you are in support of the notion of non-profits and that that is the route we should go --

Mr. Cordiano: For expansion purposes, yes.

Mr. R.F. Johnston: -- my argument would be that it becomes very difficult to just grandfather in the 50 per cent of the group that is there at the present time and say to any new corporation or new branch of an existing corporation that is out there that it cannot open a new center on exactly the same terms as it has its past centers opened on, which is what you are suggesting.

And so if you suggest that, I would not be surprised if you get the odd little challenge in court on whether or not that is an appropriate social policy under the Charter; but that is another matter.

Mr. Cordiano: Well, that is another matter.

Mr. R.F. Johnston: If you do want to move to a non-profit system and philosophically say that that is the approach that you want to go to, what you seem to be saying is that you want to expand the non-profits, that you see that as a better methodology than the other system. Then I would argue -- and again this is where we differ in our perspective -- that you then want to start to talk about how you make that transition in total in your system and allow the commercials to maintain themselves outside of the publicly-funded system.

But you do not then add in money to, either in terms of a direct grant or in terms of talking about changes to the Canada Assistance Plan, which could also benefit the for-profit sector that exists, and say you want to try to move that out.

So therefore, if you are going to talk -- this is what I was coming to -- to the whole notion of what you are doing with an income-testing system and changing CAP to allow that to happen in Ontario, you are really only talking about a phase-in period which would be tied into your phase-out period for the commercial sector so that you are trying to protect anybody who might possibly get lost in all of that.

I come back to my position, as I have taken, in Manitoba where they have the direct grant system and they have the two-tiered approach, if you will, that you are so worried about, there has not been a major loss of the commercial sector that is there. It just has not occurred.

Mr. Cordiano: Yes, but they do not have the numbers that we do. I mean, you can talk about other provinces but they certainly do not have the numbers or the percentages. I think that we are talking --

Mr. R.F. Johnston: But from an operator's perspective -- you must remember this -- there is no advantage to the income-testing system in terms of his capacity to operate at this stage. The way we have set up the profit system with their 10 per cent off the bottom -- off the bottom line kind of thing -- there is nothing in it for them in terms of -- in my view -- either in terms of the direct grant or the income-testing system. They will continue to operate because they are still going to be able to make a profit.

Mr. Cordiano: I do not understand your argument.

Mr. R.F. Johnston: Not of people who have come before our committee. I might remind you of positions taken by Mr. Zelikovitz -- how do you pronounce that? -- who was here, who said that he did not want you to give them direct grants.

He was a private operator who said that he did not want you to give them direct grants. It did not mean anything to him. All it would do would be to set advocacy groups saying -- what was his line? -- "Well, what are you going to do with this grant and how much are you really going to give to your employees?" and you would get too much government involvement.

Mr. Cordiano: Well, he was not including himself in it. I mean, that is still an option for him.

Mr. R.F. Johnston: But I mean if they are not asking for it, if the Association --

Mr. Cordiano: Well, that is one individual.

Mr. R.F. Johnston: No, no. It was also the Association that said they were not interested.

Mr. Cordiano: No, no. They said they would be interested but they wanted the government to direct it directly to employees if we are going to direct those grants for salaries.

Mr. R.F. Johnston: Can I quote you from the Association of Day Care Operators?

"What we have said is we do not like government grants. As operators we do not wish to receive the government grants. If the government wishes to grant money in order to increase salaries, then we suggest that money goes directly to the staff and never comes to the operator or the business."

They do not want grants. They do not want a direct grant system. We have already heard about the difficulty of giving it directly to employees when we heard from the City of Toronto people.

Who is it who wants these direct grants to go to the commercial sector anyhow? If the commercial sector does not want it themselves and are saying they do not want it, and all the non-profits are coming before us and saying, "Do not do it," and we are warning that what all this is going to do is consolidate the commercial sector, why is it --

Mr. D.S. Cooke: Diane Poole does not want it.

Mr. R.F. Johnston: And Diane Poole does not want it -- why? -- Is it just John Sweeney and you who want it? Who is it that wants it?

Mr. Baetz: Mr. Chairman. Can I get a word in edgewise, Mr. Chairman?

Mr. Chairman: Well, Mr. Baetz is just going to jump in there.

Mr. Baetz: Well, I am going to try to identify the issue here without getting into the argument. But is the issue really whether in fact we are saying that there are going to be two systems for day care or child care in this province: one for the rich kids in the private sector and for parents who can pay the whole shot and the other system, the public system, for those kids who are not rich and middle income?

You know, I have got problems with that one, too, philosophically, if that is the way we are going to go. But that does seem the way that you would like to. And I am rather surprised; that is not really socialist philosophy and it comes from you.

Mr. R.F. Johnston: We have identified the issue. Let us go a little further. What we have at the present time is exactly that system except it is even made tougher for people. They cannot even afford the general public system that is out there in terms of the non-profits that are operating right in their communities and so they have to choose the informal system. That is what is happening at the moment.

What we are saying is that what you do is you open up the non-profit system as largely as we can to make it, as accessible as possible to people in an affordable way, and then if people choose not to participate in that, then you allow them, as you do in the Ministry of Education at the moment or even in health care as far as that goes, you allow them to go outside the system and have their own system which they pay for, which the public does not pay for. And that is totally socialist.

Mr. Baetz: Does that set-up not really encourage the establishment of two systems? The one which will be snob appeal, "We are a private operation. The kids that come here, their parents do not need subsidies. They are the yuppies who have double income and they can afford it. This is a good center."

The other, this is for all the other --

Mr. R.F. Johnston: But you are getting yourself caught in a bad argument for a Conservative -- let me warn you about about this -- and that is you do not want to say, surely, as a Conservative, that somebody should not have the right to choose and pay for a system that they want as long as the public system is not paying for it. You would want that to be a part of it.

Mr. Baetz: I can be more comfortable with that than you are. I am only surprised that you are advocating that.

Mr. R.F. Johnston: What I am advocating is a major public choice that is not there at the moment and that that should be non-profit and available to people so they do not have to just choose informal care or make choices about withdrawing themselves from the economic life of the province if that is the choice that they have to make. And so we are saying expand the non-profits.

Outside of that, if people wish to choose the informal

system and use their mother or brother or whoever to look after the child or wish to buy Kindercare, that they should be allowed to do that if they choose to, but that there should not be public dollars going into it.

Mr. Baetz: I think there is an all-party agreement on the need for some expansion. How much that expansion is, is a different thing. But for some expansion of the not-for-profit licensed day care centers, I think everybody agrees to that.

Mr. Cordiano: Can I address the --

Mr. Chairman: Mr. Cordiano is itching to jump in here.

Mr. Cordiano: Well, I have to because there are some erroneous remarks by Mr. Johnston or, at the very best, they are biased. But anyway, let me go on and talk about the fact --

Mr. Cooke: That is normally what happens in the Legislature.

Mr. R.F. Johnston: Our biases do show.

Mr. Cordiano: If we do not have any changes to the Canada Assistance Plan, yes, parents will still continue to have subsidy on the basis of a needs test, and those people who are currently using commercial centers who have access through the form of a subsidy are basically needs tested.

So what you are going to have if the province -- and the province does want to move to an income-testing method; we would all agree that that is the best way to proceed to make day care more accessible to people, more affordable -- if that is allowed to occur, without changing the Canada Assistance Plan, then what you are going to have is just more people using commercial centers because that is the only place that they are going to be needs tested. Well, those are the only kinds of people that can get subsidy in a commercial center.

So of the 35,000 spaces you are still going to have, 33 per cent are presently subsidized in those commercial centers so you are going to still have people using those centers who are subsidized, because under the Canada Assistance Plan they can all be needs tested for commercial centers. So they would have people that are still using subsidies.

There is where I am talking about you are going to have a two-tiered system. You are going to have a far greater mix of people using the subsidy in the commercial center because more people are going to be moving to the

non-profit centers.

Mr. R.F. Johnston: That would be a wonderful change from what we have presently, whereas you say far fewer people, in percentage terms, get subsidies in the profit sector than in the non-profit sector. At the moment, they have not taken up the subsidies in the same way as the non-profits have.

Mr. Cordiano: That is very significant.

Mr. R.F. Johnston: As compared with 45? What is it? It is quite a dramatic difference between the two; I cannot remember.

Ms. Fooks: I do not know what it is.

Mr. R.F. Johnston: It is well over 40 per cent in the non-profit system that have subsidies.

Mr. Cordiano: It is different but it has increased over time.

Mr. R.F. Johnston: Marginally. But you are raising a straw man, if I can put it that way, in terms of the income testing system. All income testing does is expand the number of people who can be covered by the testing mechanism for some kind of subsidy. That is all it does. And there are still a lot people who will fall outside of that for various kinds of reasons.

And so therefore it is a useful thing to do in terms of some lower-to-middle income people we covered instead of just the very poor being covered at this point; I give you that. But it is not the answer in terms of affordability and that is why, again, I want us to separate out the notion of direct grant from income testing at the moment.

If we were to go direct grant and to give a direct grant, for instance, that not \$3.00 or whatever was being put forward but was something like 30 per cent of the costs, of the per diem, then I think that would have a major impact on people's affordability problem with that. And that would be everybody -- exactly.

I think that the notion that income testing is somehow one, going to be the solution or two, cannot be done in such a way as to phase it in in guaranteeing protection for people who are presently subsidized, if you want to do that or whatever --

Mr. Cordiano: You cannot do that in commercial centers though, without sacrificing CAP.

Mr. R.F. Johnston: Two things: If you are doing it

within CAP, that cannot be done. But that is not, you keep saying; you keep talking about this being a change in CAP to provide a more generous income testing. If that is the case, then that is up to negotiation -- how you phase it in -- and that is something that we can identify as an issue, that we want to have some protection for people in the commercial sector as we do whatever we are doing with the commercial sector, which I am not sure what the consensus is going to be. But to suggest that necessarily you are going to leave people high and dry in that situation is not true.

If we are doing a major expansion, if we are phasing in any change to the commercial sector that is taking place, if we are providing incentives to convert, then the numbers in that 33 per cent drop dramatically in terms of anybody who might be left high and dry. And then I think you can put in some sort of grandfathering kind of provision to protect those kids because, again, they are not in there for any length of time. I mean, you are only talking about a few years -- two years may be average for a kid in daycare before they go on to some other kind of system.

Mr. Cordiano: So you forego the 33 per cent of those spaces that are being subsidized because over time they are not going to be taken up by somebody else; is that what you are saying? I did not quite follow what you were saying.

Mr. R.F. Johnston: It is a combination of things. The income-testing system --

Mr. Cordiano: So what happens to the spaces that were being subsidized before?

Mr. R.F. Johnston: Income testing --

Mr. Cordiano: You lose those spaces.

Mr. R.F. Johnston: No, you do not lose those spaces. If you are moving it to a new system, which is what you are telling me -- income testing rather than means testing -- right? -- and therefore you do not have subsidized spaces in the same fashion but have a much larger group of people who are eligible for some kind of assistance --

Mr. Cordiano: You are assuming with changes to CAP or without changes to CAP?

Mr. R.F. Johnston: I do not care; either way. If you are saying you are moving away from means testing, which is our present subsidized space, to income testing, and therefore more people are going to be getting some kind of assistance; and you are providing a direct grant, which is going to provide people some extra economic assistance to be able to use formal day care; and you have a phase-out period

or whatever for commercial sectors or a conversion period which will allow some incentives for them to convert to non-profit, the fact that those centers change, you do not lose spaces because you have got a new means, a whole new way of determining who is getting assistance. You are creating new spaces which will accommodate those people who could never be accommodated before or get assistance before because their incomes were too high plus you have got --

Mr. Cordiano: -- create spaces fast enough though; that is the problem.

Mr. R.F. Johnston: There is no reason why you cannot have a grandfathering for anybody within that 33 per cent who is not covered by those other provisions for the two years that their kid is in there. Then, it does not matter a darn if you are losing what you are calling "subsidized" spaces because you are creating a whole new openness within the non-profit system.

Mr. Cordiano: But do you not see? All you have done is replaced one with the other. You have not created additional spaces when you are doing that. That is the fundamental difference that we have here.

Mr. R.F. Johnston: You are presuming that none of them are going to convert to non-profit. I suggest to you large numbers of the mom-and-pop operations will convert to non-profit.

Mr. Cordiano: I am not suggesting that. I am suggesting that there is still substantial numbers of spaces. We are talking about essentially 35,000 -- I will use a very conservative figure; the figures that we have used have been as high as 37,000 but I will use 35,000 -- you are talking about a huge number of spaces that could potentially not be replaced -- will be replaced, in the long term; will be replaced -- but all you are doing is making up for the shortfall but you are not creating additional spaces.

I do not see how you are not concerned with that, about not creating additional spaces in the meantime.

Mr. R.J. Johnston: Well, let us look at those 33,000, 35,000, 34,000 -- whoever knows because the government does not know the number of spaces out there -- how many of them are owned by big chains? Very few of them; right? The vast majority are owned by people who either own one of them or who own, say, three maximum, I would think, are family operations. You are talking about very small operations that are out there. If you provide those people with an incentive to convert, I think you will have a fairly high take-up on it.

You are talking about maybe 10,000 of those spaces being subsidized at the moment; right? Thirty-three per cent is what you just told me.

Mr. Cordiano: Something like that.

Mr. R.F. Johnston: And you are saying that the majority of those people somehow would be left high and dry. I see no reason why, even if you had half of those people left, which I cannot imagine, if you actually have a good conversion policy in place, that there is no reason why you could not do a grandfathering of those kids while they were in those spaces in terms of subsidized spaces. And then on top of that conversion you are then creating, hopefully, 20,000 new spaces or something. We want to have a massive --

Mr. Cordiano: Really, you are just replacing one with the other and you have not created additional spaces. You still have that problem.

Mr. R.F. Johnston: Yes, you do.

Mr. Chairman: I have a feeling that this is an item on which we are not going to reach any type of consensus.

Mr. R.F. Johnston: Do you see my point?

Mr. Baetz: Yes, I do.

Mr. Chairman: There was one point, the transition, which seems to be a consensus item.

Mr. R.F. Johnston: Well, I think there is a consensus on assisting people to convert; is there?

Mr. Cordiano: There is a consensus on that. I do not think there is any problem with that.

Mr. R.F. Johnston: There is not a consensus on the notion of saying that after a certain number of years it will not be commercial sectors receiving any assistance.

Mr. Chairman: But that, I do not think we have a consensus on that.

Mr. Cordiano: We are dealing with two issues and we are talking about moving from a needs-testing system to an income-testing system. Let us deal with the direct grant.

If you are saying, and if I follow what you are saying, the logic of what you are saying -- and I am not accepting what you are saying but let me just follow that logic for a moment -- what happens in the meantime to staff salaries in the commercially-run centers? What happens in

the meantime to quality in those centers, which we know is something less than what is desirable in 25 per cent of those places?

Fine. We are going to have some of them converting to non-profit status, but there are still going to be a large number of them operating as commercially-run centers.

Mr. R.F. Johnston: Well, a couple of things. One, I think we should deal with that under Quality where it deserves to be in that one of them states that the government has been thinking at the moment of somehow giving a direct grant to the for-profit of \$3.00 or whatever is actually going to go to increase salaries --

Mr. Cordiano: Not necessarily.

Mr. R.F. Johnston: Sorry. And there is a very strange logic which has been used by government in this which is saying that all of a sudden today they are worried about quality of care in the profits.

For almost two years now we have been waiting for a policy to come out on day care. It was supposed to come out last June, a year ago, and it has not arrived yet. All of a sudden we are hearing in this committee that there is real concern about quality of care in the for-profits, and yet nothing has been done in terms of dealing with that issue, which I think is quite separate from the issues of --

Mr. Cordiano: -- for years before that, so how can you even suggest that it is an intolerable length of time?

Mr. R.F. Johnston: It was intolerable during the Conservative period; it is intolerable during your regime.

Mr. Cordiano: We are certainly addressing it now, so --

Mr. R.F. Johnston: Well, what you are now doing, though, is avoiding the issue of dealing with it by putting up this sort of false manner of saying, "Again we are going to provide assistance to these people and a direct grant to deal with it."

Let me ask you this: What is there at the moment under the present system which constrains a private operator from providing good salaries? If you want to deal with that and we can deal with the other quality issues as well. But taking that prime budget item, what is there under the present system which stops a for-profit operator from having good salaries for their employees?

Mr. Cordiano: Well, the practical matter is that it has been noted that salaries and wages in profit centers are

lower than they are in other centers.

Mr. R.F. Johnston: I know. But why? What is it that is constraining them? That is what you have to look at before you start throwing money at it in terms of why is that happening?

Mr. Baetz: That is essentially the same. It is the lack of subsidy; it is the low fees, trying to adjust the fees to what they think parents can afford.

Mr. R.F. Johnston: One of the interesting things that we learned -- unfortunately it was the day you could not be here, Ruben; we were going through various kinds of budgets -- and what we learned is that in the non-profits, even where there was a full-pay situation where the parent was paying the full shot, the salary section was taking up 80 per cent of the budget. In the other ones it was something as high as 95 per cent in one case of the budget in the non-profit was going to salaries. But in the for-profit situation it was often 60 per cent. 62 per cent, I think, was the figure we were given in the sample budget.

And so you have to say to yourself, what is it then that is constraining that sector more than the other sectors?

Mr. Cordiano: Well, when you are looking at those income statements, when you are looking at those balance sheets, when you are running a for-profit center, things like rents have to be paid, and numerous non-profit centers have these things, some of them, donated to them. So there are a lot of offsetting costs.

Mr. R.F. Johnston: Yes, but they are not really when you think about it because we will go back to that first one. Full pay, that had a rental amount in it and they still paid 80 per cent. And if you look at the way a profit agency can lay out its budget, increasing its salaries as a line item actually increases the profit because they get to charge 10 per cent of the overall budget -- remember? -- So that if their salary component goes up, so does the profit for the agency.

Mr. Cordiano: I am not going to sit here and argue about what the problem is.

Mr. Chairman: Excuse me, Mr. Cordiano, I think --

Mr. R.F. Johnston: Can I just finish the one point because I think your missing the point is what I am trying to raise here. What we have to do is look for the reason that the 30 per cent figure is there, the 30 per cent lower salaries are there, and look carefully at that before we throw money at it.

Mr. Cordiano: I am looking at the reasons to justify not giving money to commercial centers and in effect saying, well, this is the reason so let us remove the reason; let us remove the problem and in effect we will not have that problem again. Let us not address the problem. Let us not try to --

Mr. R.F. Johnston: But first you have to identify why the problem exists before you can determine what your solution is. What I am suggesting to you, Mr. Cordiano, is that although you have identified the problem, you have not identified the cause of the problem and yet you are coming forward with a solution for the problem, and that is the mistake you are making. Throwing money at it, giving a direct grant to the for-profit is going to do nothing at all towards the salary problems or the quality problems.

Mr. Cordiano: First of all you have to buy your logic of --

Mr. Chairman: Excuse me.

Mr. Cordiano: Let me just --

Mr. Chairman: Well, I do not think it is going to change anything, Mr. Cordiano. Mr. Cooke has a supplementary, I think, to Mr. Johnson's --

Mr. D.S. Cooke: Well, I would like to get some clarification from the government. If, in fact, there was a direct grant provided to the for-profit sector, how long do you see the grant being available to the for-profit centers? Is that a permanent fixture?

Mr. Cordiano: I do not think that we are here to -- I do not think I am here to answer for the government. I think what we are suggesting is, do we provide some assistance to commercially-run operations?

Mr. D.S. Cooke: Well, I am wondering, if we did -- if we recommended that -- is this a permanent fixture in the system or is this a...

Mr. Cordiano: Okay. I will answer for myself. I think that we could look at a transitional period. I think that some of the things that Mr. Johnston has mentioned -- providing incentives for commercial operators to turn into non-profit centers -- that is all fine and good. You still have the issue of how you deal with quality, the maintenance of quality.

Mr. D.S. Cooke: Wait a minute. I am not trying to deal with that right now. You are looking at that, the direct grant, as perhaps being a transitional thing, and

ultimately your goal would be to see as many as possible of the for-profit day care centers converted to the non-profit sector?

Mr. Cordiano: Well, at least providing the right environment for them to do that.

Mr. D.S. Cooke: My question then is, if in fact you built into the system, on a temporary basis, a direct grant and we will say that it is for a five-year period -- it does not really matter whether it is a three- or five-year or whatever the number of years is -- where is then the incentive to convert to non-profit? And how would you ever cease that direct grant? How can you say at the end of a five-year period that there will be no more direct grants?

Mr. Cordiano: I do not think that that is the issue that would really provide the kind of incentive. I think if you are giving a direct grant, we are not talking about large amounts of money. We are talking about addressing the issues of wages, higher salaries --

Mr. D.S. Cooke: I know, but what I am saying is at the end of the transitional period --

Mr. Cordiano: You are still going to have the problem of commercial operators not making the kinds of profits that you would see in other business. You still have that problem; you are still going to have marginal operators.

Mr. D.S. Cooke: I do not think you are understanding what I am trying to ask you, and that is what happens at the end of the transitional period? Once you have built a direct grant or subsidy into the system, it is pretty difficult to then one day turn off the tap. What you are talking about is if you do these direct grants, you are talking about ultimately a permanent fixture within the system.

Mr. Cordiano: Well, let me ask you this --

Mr. Baetz: That is a strange way to encourage the for-profit to move on.

Mr. D.S. Cooke: That is right. What you have really done is you have institutionalized -- If you do that, you have institutionalized the for-profit sector at the levels that you have got now.

Mr. Cordiano: Let me ask you this. What do you do with those people who access... If we do not do that in the interim period, what do you do to address the issues of quality? What do you do to address the issue of salaries that are lower in the commercial centers than they are in the non-profit and municipally-run centers? How do you

address that issue? Are you going to just forget about them completely?

Mr. D.S. Cooke: You build in the real incentives to get as many as possible to convert to the non-profit sector and that then addresses the issue of quality.

Mr. Baetz: I think the problem was a premature announcement on that.

Mr. Cordiano: You are not going to have that many. You are not looking at the real facts. You are not going to have enough of those for-profit operators converting to non-profit status. You still have a significant number that will be in the business whether you like it or not. And there is still going to be -- We are talking about 35,000 spaces.

Mr. Cooke: I am talking about, from a government policy point of view, how you can have on one hand a government policy that says your ultimate goal is a non-profit child care system and on the other hand provide direct grants to the for-profit system. To me, they are two policies of government that do not jibe with one another at all.

Mr. Cordiano: I cannot see how you are saying that when we have attached to that policy some very specific goals -- some very specific goals to adjust the need for quality maintenance and upgrading of quality of some of those day care centers and staff salaries. I mean, those are the two things that we are talking about when we are talking about giving direct grants to commercial centers.

And this whole question about how the tap is going to be turned off, I do not think that is an issue really because I think that you will have people converting to non-profit status if they want to convert to non-profit status.

Mr. D.S. Cooke: Why would they convert when they can get a subsidy without converting?

Mr. Cordiano: If you assume -- and this is what I think, Mr. Baetz, you have got to look at -- is if that direct grant is only going for salaries and for quality improvements, you are still going to have operators in the business who cannot make enough money to survive. There is no incentive for them to be in it. There is still going to be the issue that exists today. You have not really changed for some of those operators the reason for being in the for-profit sector. Some of them now would like to convert to the non-profit sector but do not have any incentives.

Mr. D.S. Cooke: Except, Joe, what you have really

done is you have changed the system because you are doing what they have done in Alberta where you have actually built in incentives to increase the private sector because there it becomes more --

Mr. Chairman: I do not want to cut off this lively debate, but it is quite clear that we have no consensus, and I think to continue would just rehash what was said during the entirety of the hearing.

Mr. Baetz: We have identified the issues.

Mr. Chairman: I am not sure whether I am getting a reading as to -- Well, there certainly is not a consensus amongst any of the parties.

Dr. Henderson had his hand up. I do not know whether it was something other than this particular area.

Mr. Henderson: Well, I did indeed have my hand up, Mr. Chairman. I was going to make the observation that you have just made, that we do not seem to be moving towards a clear consensus and that that can always be resolved by a vote.

But I just wanted to come at it from one slightly different direction. I have been asking myself if there are precedents that I can think of where there is a public sector that is publicly funded and also a private sector that gets public money, and I think if we put our minds to it, there probably are examples of that here and there that work.

They work maybe because the circumstances wherein the for-profit institution gets public money are very special, very circumscribed, attached to very definite conditions, time limited, and the two systems are not so much in competition with each other or else if they are, the competition has clear limits drawn around it. And I do not know whether my colleagues in the third party could ever see something like that finding acceptance or whether it is just unthinkable.

Mr. Chairman: Do we know whether those thoughts that you are thinking about are human services as opposed to some other --

Mr. Henderson: I was thinking of rail roads, for example.

Mr. Chairman: But I think the difference is, we are talking about --

Mr. Henderson: Well, I am not saying that the analogy is... I am just saying that there those kinds of situations

and I am asking whether the analogy could ever be reached for or not.

Mr. Chairman: Could I try one? We seem to have a consensus on transition. Your concern, or it appears as though the third party's concern, is that if you continue to throw money at the for-profit sector you really do not give them an inducement to get out of the game.

Mr. D.S. Cooke: You have got quite a different transition.

Mr. Chairman: Okay. But let us say that what you did was you built in incentives for them to convert, and you, instead of putting a time frame on the transition, you put a percentage on the transition in terms of when the not-for-profit reaches a percentage of 'x' then this ceases. And what in effect that does is to put your theory forward and also the government's theory forward. We do not know which one of them is correct; I suppose the correctness will be in what happens down the line in history.

But because the kids are the basic thrust and the basic framework of all this, that perhaps by doing it in that way you get the best of both worlds. You get an opportunity to see whether all of these people, if there are proper incentives in there, are going to convert to the not-for-profit over that period of time. And if they do, then in fact you have got the for-profit people who are sitting there seeing this percentage fast being approached, perhaps being encouraged to get in there too because they know that these additional moneys are going to be cut off.

That is sort of a mix of the two items but I think what it does do is it perhaps gives the time. Time will be the test of which one of us is right; whether you are right in what you are saying or whether the government is right in what it is saying.

Mr. R.F. Johnston: I do not think we have a consensus on that from our perspective. I think that the only kind of incentive in terms of direct grants that I see going to the for-profits at all would be something tied specifically to their conversion plan. Then if they said, "Within a year we are going to convert and we are going to get ourselves a parental board, et cetera, et cetera, et cetera," and they placed a plan before the government which was acceptable to the government, that in advance of that happening they would be eligible for the direct grant. That is something that I might see happening.

Other than that, all I see it as, quite frankly, is a topping-up of profits just because of the nature of the way the budget works.

Mr. Henderson: Like I say, here is our financial statements for-profits are very reasonable. The salaries are low and we will use the grants to beef up salaries and they guarantee that.

Mr. Chairman: No, but Mr. Cordiano all along has been saying that the government's grant would be a direct grant to salaries so --

Mr. R.F. Johnston: Of course that goes to profit, as I indicated, because it becomes a line item from which the profit is based. So I think that it is something that must be remembered.

I also think that Mr. Cooke made a point -- just one sentence but it should not be overlooked -- the most effective way of dealing with the quality question is to have major incentives to convert to the non-profit system. I think that is the best way of our guaranteeing because you cannot guarantee, really, any kind of control over the internal budget of a corporation. Just by the nature of it being a profit corporation, they have certain rights within that, it seems to me, and are right in some ways to argue that they would rather not get any grants at all than to have to give in on that kind of thing.

I look at the fact that, and I think it was Mr. Sweeney who said -- I maybe should not use these figures; I use them against him most of the time -- but he said that 5 per cent, I think it was, of the spaces in the commercial sector were in chains and all the others were one- and two-place operations.

Surely we can look at the means of giving real incentives to those individual operators that would really make them look very seriously at conversion. And if we can do that, it seems to me that that is a much more coherent and useful tactic than to be doing something which seems to be counter-productive in terms of giving direct grants to them at the same time as we are saying they we want to encourage the not-for-profits.

And I would just suggest to you that we do not have a consensus. I think that we should move on to other matters. But from my perspective, that is a more practical way of operating with this than is the other because the questions of quality I do not think have anything to do with the bottom line of the budget. They come down to other kinds of matters that we should be dealing with in terms of quality considerations outside of this whole direct grant business.

Mr. Baetz: But as part of this issue, does it not concern you at all that if you in fact get rid of your profit operators, the public then, the parents, have to then rely on the non-profit sector period. It is the only game

in town. That situation, I wonder, it might have an adverse effect on the quality of the care because it is a monopoly. It is the only game in town actually.

You know, I can remember the days when Air Canada was the only airline in this country.

Mr. Chairman: It was called Trans Canada; was it not?

Mr. D.S. Cooke: You are going to have a variety of non-profit groups. You are going to have municipalities; you are going to have parent co-ops; you are going to have --

Mr. R.F. Johnston: The other thing you have to remember is that the parents' parents never controlled Trans Canada, no matter what you thought about it. But we are saying --

I think we have a consensus on that, that is, major quality control in this whole system. We want to have parental involvement entrenched and made part of the structure -- institutionalized as much as possible. And that you have never had with large monopolies.

So you are talking about, at each individual center, your major quality control being the fact that parents have a major say in what is happening and then on top of that we have to talk about some meaningful role for the province unlike what it has done up to this point.

Mr. Baetz: But it will boil to, that in any given community serving any given number of parents, you are going to have one center, and if you do not like what the hell is happening in that center you can keep your kids at home.

Mr. D.S. Cooke: You would be totally correct if we were suggesting that the provincial government --

Mr. Baetz: I was just asking a simple question; that is all.

Mr. D.S. Cooke: You would be right if we were saying the provincial government was going to run every day care center in the province and that would be a disaster. But we are not saying that.

Mr. Baetz: Well, I just raised the question more than stated a conviction here.

Mr. Chairman: Cathy just leaned over and said we were at Affordability, and we are now talking about other things. It is quite obvious we are not going to reach a consensus. She wanted to know what consensus under Affordability we have.

Ms. Fooks: Can I read what I have written? Okay. The only points -- I may have missed some -- that I have written "consensus" beside thus far under the Affordability section are that there is consensus that day care services are too expensive to people and that you want to change that; that you want to try and have higher salaries and better benefits for day care workers but at the same time lower the fees to the parents. And I stop there. That is a pretty short section.

Mr. Cordiano? Are we talking about affordability there?

Mr. Chairman: Yes. Do we have consensus on that?

Mr. Cordiano: Okay.

Mr. Chairman: Do we have consensus on that?

Mr. Cordiano: I am sorry. I just wanted to get a clarification if we are coming back at two o'clock and if we can pursue matters then.

Mr. Chairman: All right. If you want to do it then we can do it then. We will come back at two o'clock.

Mr. R.F. Johnston: One thing I would say on this is that we are trying to identify the issues of concern, and the things you have listed are things that were raised as concerns around Affordability.

Mr. Chairman: Okay. All right. Two o'clock. ---

The committee adjourned at 12:00 noon.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
CHILD CARE

TUESDAY, APRIL 14, 1987

Afternoon Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)

Andrewes, P. W. (Lincoln PC)

Baetz, R. C. (Ottawa West PC)

Cooke, D. S. (Windsor-Riverside NDP)

Cordiano, J. (Downsview L)

Hart, C. E. (York East L)

Henderson, D. J. (Humber L)

Johnston, R. F. (Scarborough West NDP)

Reycraft, D. R. (Middlesex L)

Stephenson, B. M. (York Mills PC)

Turner, J. M. (Peterborough PC)

Substitutions:

Leluk, N. G. (York West PC) for Mr. Turner

Mitchell, R. C. (Carleton PC) for Miss Stephenson

Clerk: Deller, D.

Clerk pro tem: Arnott, D.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witness:

From the Ministry of Health:

Hart, C. E., Parliamentary Assistant to the Minister of Health
(York East L)

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Tuesday, April 14, 1987

The Committee met at 2:00 p.m. in room 1.

CHILD CARE REPORT

Mr. Chairman: Recognize party members from each party and we are now into non-consensus items, I guess.

Mr. Johnston: One thing we have not talked about at all which strings in on the, I guess, the affordability section - I am not really sure, maybe it is quality - is the whole question of the indirect subsidy situation at the moment and I believe part of the rationale for a new approach, the fact that the indirect subsidy that has been there for years has been taken away and now we have to come up with some means of on-going support to the non-profits that were getting it; especially in rural Ontario, but other places as well, is something which I think we should just highlight as an issue that is there at the moment in the day care. We may want to come back to that and only include it in terms of our discussion around changes to CAP or the direct grants as an option. But I just thought we should highlight that.

We have not really made mention of it and that is part of the present status situation and does raise some of those affordability issues, I guess. I am not sure exactly. I guess it would be affordability because if you look at places like Geraldton recently which was going through this problem of trying to switch from the indirect grant base and wondering about assistance for it, the parents were the ones who were going to be expected to pick up the enormous jump in fees that was taking place and that was going to make child care unaffordable there as compared to having been affordable in the past. So I guess that comes in there.

Mr. Chairman: Okay.

Mr. Cordiano: That essentially would also tie in to some of the discussion we had with respect to municipalities and that whole section so...

Mr. Johnston: Sure.

Mr. Cordiano: I think you can put it in there, that is fine.

Can we move on to the next section, or where did we leave off?

Mr. Johnston: We really have not talked a great deal yet about quality. That was really what we wanted to get into now, I presume, the quality question.

We were flirting with it as we got into the debate around the non-profits, et cetera, but we really have not talked a lot about that.

It seems to me that we need to talk about what we think are the best methodologies for that and I would come back to the parental involvement on the boards as being a crucial component of that and would want to see that as a major emphasis of the report before we go any farther with other matters.

Mr. Baetz: I do not think there is much debate on that point.

Mr. Chairman: No, we have a consensus on that.

Mr. Cordiano: Fine, I just wanted to point out with the affordability section, we did talk a little bit about income tax relief, if you want to term that. Do you want to include that in the affordability section or leave that, and I cannot recall if we had the discussion about that earlier, and it just came out or did we just not want to deal with it and leave that as a separate issue entirely or just mention it but put it in the affordability section as an issue to be raised?

Mr. Johnston: I am just trying to remember, Cathy, we identified that as...

Ms. Fooks: As an issue, yes. Under the affordability section other than the things that the committee agreed on, I had things like the tax credit, the direct grant...

Mr. Cordiano: Okay.

Ms. Fooks: And the switching to income testing as issues to be identified but with no real agreement.

Mr. Cordiano: I just wanted to make sure that we were just tidy, that is all.

Mr. Johnston: I gather then we do have a consensus that we want to have the parental control, or whatever term we want for that, as our major emphasis on quality statement?

Mr. Cordiano: Sure. I also think that we are looking at a number of issues there, but we can make that statement. I think also we have to look at some of the other issues that have been raised, for example, staff.

Mr. Johnston: Oh sure.

Mr. Cordiano: You know.

Mr. Johnston: Yes, and I was picking that one out in, just in terms of...

Mr. Cordiano: Where we have agreement?

Mr. Johnston: ...in structural terms, do we think that that is vital and I gather we do have a consensus on that?

Mr. Cordiano: Yes.

Mr. Johnston: A small side issue that comes out of that becomes the issue which I guess David alluded to a little bit, if we are talking about some incentives for people to convert from profit to non-profit, if we actually go that route, what is our definition of what constitutes the non-profit?

And I think that one of the things we have to be clear about there is the parental role in that circumstance, as well, so it does not just become sort of extended family of the owner becoming the new board, but rather, there is a control element by the parents who are using the centre as part of that conversion process.

I do not know if we have agreement on that or not, but...

Ms. Hart: Similar to the outside boards, outside directors that you see on boards of corporations.

Mr. Johnston: Exactly.

Mr. Chairman: I am not sure, I know there was difficulty about the question of incorporating a lot of these because of the cost and so on of doing it, but if they were in fact incorporated as charitable non-profit corporations they would, in fact, by definition, ensure that that would be the case and you could not have this sort of rolling over of the family into what would be termed as a not-for-profit organization.

And it could probably be done-- if there is difficulty in terms of the expenses, it could probably be quite cheaply because they would almost have a stereotype Charter application for it. It also ensures that the assets - maybe Christine can correct me - that the assets of charitable corporations all revert back to the public domain if there is a cancelling of the Charter or dissolution of the Charter and that ensures that it goes back to the public domain. So that may be something-- I do not know whether...

Mr. Leluk?

Mr. Leluk: I have a point I wanted to raise, a point of clarification. Did I understand Mr. Johnston to say that only those parents who use the particular facility should be on the Board of Directors, or are we talking about other lay persons who might be parents who are not necessarily utilizing that service who could sit as well. Is it exclusive?

Mr. Johnston: No. I was not thinking about it being exclusive at all in the sense that there may be a number of occasions where you would like parents at large within a community. I am thinking about, say, there is a church-based day care where you would actually have other parents within the congregation who might-- or adults within the congregation who are not necessarily parents, but who might want to participate on the board.

That would be appropriate, but I guess it was the principle that active parents; that is, parents whose children are actively involved in the day care, should be a major force on the that board and perhaps even having control of the board, if you want to put it that way. But that would not preclude other parents or other adults within a community from participating in it who are at arms'-length from the previous owner, in this case of conversion, or in terms of just having an active interest. That would be fine.

Mr. Cooke: Maybe it would be good to say that at least 51 per cent, which would leave a significant portion from the community, but it would make sure that the consumers are controlling the service.

Mr. Johnston: It is my understanding that that is what they have done in Manitoba now.

Mr. Baetz: When we consider the structure of the not-for-profit agencies, and we touched on municipalities this morning, but do you foresee in future municipalities themselves owning and operating day care centres or do you see the change there.

In other words, you were saying this morning, David, that you would never see-- you would not see the Provincial Government owning and operating. Are we saying that a municipal government should continue to own and operate?

Mr. Johnston: Sure.

Mr. Baetz: Are we going to encourage that, or are we going to discourage it or let the thing develop as circumstances suggest. I do not know, I mean, I am just...

Mr. Cooke: I certainly would not see the municipalities getting out of it. I certainly would not object myself to saying that where municipalities run child care centres that it might be advisable to have parental advisory committees instead of them being simply under either the Social Services Department or City Council, but it might be worthwhile to have advisory committees from parents.

Mr. Baetz: Yes. But certainly nothing to discourage municipalities from actually setting up and continuing to own?

Mr. Cooke: No, no.

Mr. Baetz: Or maybe the opposite, maybe we should encourage municipalities to do that. Again I do not know.

Mr. Cooke: But I mean, in some municipalities, at least my experience in my own area is that the City of Windsor likes to run child care centres but the County of Essex would like to divest themselves and if that is their priority then obviously, the fallback position is as many non-profit groups as possible. You cannot force a municipality to do it.

Mr. Chairman: Christine?

Ms. Hart: Maybe because we want to encourage different operators in the non-profit sector such as municipalities, perhaps even school boards, we should not tie ourselves down by saying the board should be 51 per cent active parents.

Maybe we could say it in a broader way, saying there should be significant participation by active parents because there are going to have to be different mechanisms for different types of ownership.

Mr. Cooke: I was thinking of that they are a non-profit charitable group, not a municipality or school board, but the non-profit charitable groups should have a majority of parents. You could not do that with a municipality.

Ms. Hart: I do not have any difficulty with that I just do not want to tie it down at this stage when we are able to foresee all of the different kinds.

Mr. Johnston: I think what we are agreeing on is that the consensus of having major parental involvement is your best quality control because they are the most actively involved adult consumers in the business and it seems to me in the non-profit, you probably can be that specific about

it, but that we would want to make sure that we did not just presume that the municipal and perhaps board-operated day cares would have that major parental involvement but, in fact, have a statement that that should be expected either in an advisory board capacity or some other means of guaranteeing parental involvement.

Mr. Chairman: I think what Chris says about the 51 per cent too creates a difficulty. I mean, you can look at an analogy in sports activities where parents get involved in coaching a team because their kids are on it, but sometimes you have difficulty because of that because one of the other parents view the one kid as getting more ice time type of thing,

If you had it defined 51 per cent you are really putting the control in their hands and those parents who are not on the board perhaps do not see the value of that particular activity that is being decided by this board and it may, you know, create difficulties for them. But I think significant family involvement is certainly the key and if we left it at that we would cover the waterfront.

Mr. Johnston: We can come back to the specifics on it when we get to recommendations. I think there are a lot of good reasons for, in fact, putting it down fairly specifically for non-profits and we can get into that debate later on, it seems to me.

Mr. Chairman: Mr. Baetz?

Mr. Baetz: What about the issue of eligibility? If there is going to be any eligibility requirement at all.

For example, is anybody - and now we are going to be seeing more tax money going to this thing, whoever puts children in there will directly or indirectly get some kind of subsidized service. What if parents are-- it is not a one parent family, it is not a case where the mother is working, it is a case where they are at home but they say, ah, the heck, we will put our kids in day care for three or four days a week or three days as a respite or whatever; do we say anything about that at all? Is it open to everybody?

Because, you know, in that directly and indirectly it will be a subsidized service. Now, again I have no-- I could make a good strong case on either side, I guess.

Mr. Johnston: I would make a distinction here and I would argue that, yes, the system should be open to anyone including parents where a mother, in most cases, probably would be staying home in the sense that it could either be necessary relief which could assist the number of mothers greatly, or it can be a means of re-entry into the workforce on a part-time basis, or a number of other kinds of options.

So I would suggest that it should be open. But what it does raise is the question of what our definition of income testing becomes in terms of any kind of direct assistance to participate in the system. But I think in terms of the indirect subsidy, if you will because of a direct grant going to the institution which you are talking about now, I think that that should be left open to anyone to who wishes to participate, but that is my view.

Mr. Cordiano: Well, it is a case of how far you expand the system with the resources we have available. I mean, really it comes down to that, how accessible you make it is a question of how affordable it is and it is a question of how many resources we have to do that. And I think you would probably be aware of the limited resources and the need to target those resources in the most effective manner.

And to say that perhaps the ideal would be to have unlimited access, but I do not think that is a realistic proposition at this point in time.

Mr. Baetz: Well, the minute you say unlimited, we should not have unlimited access, then I think we have got to be thinking about...

Mr. Cordiano: Costs.

Mr. Baetz: ...eligibility requirements. In other words, what is top priority? Is it one-parent families, is it parents where there has been a breakdown, is it da-da, da-da, da-da?

Well, as soon as you say not unlimited then you are going to have to say, okay now, what are the priorities for people using it because resources are limited, space is limited, who sets the priorities?

Mr. Cordiano: You see, that is why moving from an income testing method would make the system more accessible, moving away from a needs testing method where you really have limited the ability to...

Mr. Cooke: But Reuben is saying with limited numbers of spaces that there is - I mean, the difficulty is that if we tried to spell that out in a report, any policy that we could try to develop here would not relate to the real world anyway.

I mean, I can give you an example of a kid that I worked with when I was at CAS at age three he did not speak, at age three-years two-months he did speak because we got him into day care. His parents were not working, but does that mean that if his parents were not working that he is not as high a priority as somebody that needs it to enter

the workforce? I do not think so.

I think the service that was provided to that kid was as high a priority a service as could be provided to any kid.

Mr. Baetz: I would think so. I would think that is the kind of a kid you want to help.

Mr. Johnston: If we have a consensus, which we do have, the fact that we are moving away from the welfare model.

Mr. Baetz: Yes.

Mr. Johnston: Okay, which we had a consensus on, then naming that eligibility criteria for access to the system, is counter-productive. Eligibility criteria in terms of the amount of extra subsidy that may go to somebody in terms of their incomes is another issue that I think has to be dealt with.

Mr. Baetz: Yes.

Mr. Johnston: But in terms of the general access to the system, I presume we do not want to put those constraints on it because we are saying that in our view it has more than welfare context to it, number one. Number two, it is more than an employment support system, put it that way, and it is also, you know, and it can be seen to be in the best interest of a child rather than necessarily only in the best interests of their parents and their economies.

Mr. Baetz: Yes.

Mr. Johnston: And, therefore, you cannot put those constraints on access.

Mr. Baetz: And yet if you do not and you may have an enormous demand for the system, far greater than exists now because I think up to now the system has been sort of there for the kinds of children you are talking about; for one parent families, for parents where they are both working and so on.

But if you say now this is a community resource that really is going to be pretty well wide open, I suspect you are going to have a much greater demand from the families who in quotes, you know, "are not vulnerable", they simply say there is a community facility, I have paid for it through my taxes and I think I will take advantage of it.

Mr. Johnston: Let's look at the reality of right now, Reuben, and that is that for the Queen's Park day care you have to apply a good nine months and more like a year in

advance to get into at this stage.

Mr. Baetz: That is for those who are working here?

Mr. Johnston: And that is for people who are working here.

Mr. Chairman: Excuse me, just a second, Richard. Reuben can you move up a little?

Mr. Johnston: So you already have-- that issue of over-demand is already there and we have a certain number of subsidized spaces which are available and how you bring in income testing in terms of eligibility for assistance then becomes another matter.

But the question is as to whether you prioritize all-- if you prioritize all the spaces on the basis of that income testing, then you have just gone to a new version of the welfare system. You have not gone to the notion of open system for all that we want to move to and, yes, there is going to be a greater demand for the next number of years than the spaces because that is the reality of where we are.

Mr. Cordiano: Well, presumably...

Mr. Johnston: First come, first serve now.

Mr. Cordiano: ..if things work properly and we are moving through, we are going to be able to create more spaces. As we create more spaces, therefore, there will be greater accessibility, like it to be based on income rather than on a needs kind of testing basis and that will allow for people to access the system and for even more spaces to be created because the affordability question does not be of a hindrance or a variable.

I think one of the major reasons for the lack of additional spaces or the creation of additional spaces is really the question of the fees that are paid and I think as we move into the income testing method, whereby we are going to subsidize people based on that method, and if we are cost-sharing with the Federal Government, then more people would have access and it would not just be based on needs alone.

Mr. Leluk: They are talking about universal. They are talking about anyone.

Mr. Cordiano: I do not know what they are talking about, but...

Mr. Leluk: They are talking universal.

Mr. Cordiano: But this is what I am saying, we are

moving to a system which becomes more accessible.

Mr. Leluk: They are talking eligibility for everybody.

Mr. Cordiano: If they are talking about universally accessible, what does that mean? Does that mean free or, you know, does it mean that parents still have to shoulder some of the costs for that?

We are trying to make it more accessible and more affordable as we go along but being realistic in recognizing that we have to create additional spaces, at the same time not lose what we have. And I think that is what we have been trying to say in this committee because there is a possibility, that by moving too quickly, to have these profit centres convert to non-profit status, if we are going to spend a pile of money on that just to get them to convert, if we move in that direction, not deal with the issues of quality, not deal with some of the other issues that we are all concerned about, and at the same time not create additional spaces that we need that quickly.

Mr. Chairman: Would you like to respond?

Mr. Johnston: No.

Mr. Chairman: No,

Mr. Johnston: You are are dealing with the quality question at the moment and I am wondering if we are still dealing with that in a sense now or not?

Mr. Cordiano: Well, it becomes sort of a gray area because eligibility, if you are talking about eligibility, you are talking about affordability along with accessibility, et cetera.

Mr. Johnston: And accessibility. You are talking about possibilities, is really what you are talking about.

Mr. Cordiano: Sure.

Mr. Johnston: And I am wondering if we want to go back to that then we should put that back probably in the accessibility section in terms of the debate on it.

My senses on quality though, we do want to talk about other kinds of things including standards.

Mr. Baetz: Yes, inspection.

Mr. Johnston: Inspection and provincial reporting so that we get some sort of coherent social policy developed for the future on this.

What other kinds of things do you want to talk about in terms of quality? There is the accountability question and that, I guess, comes back two ways to the board mechanism, parental involvement and then the other is through to the provincial government offices through the day care consultants, I guess, those are the two ways and in the municipal sense to the municipal social services offices as well who have some say about it.

Mr. Baetz: On the accountability issue, a non-profit agency locally accountable-- you would say accountable to a provincial agency or a provincial body rather than to the local?

Mr. Johnston: Yes. At the moment the collection of data from inspections, you have fire inspections, health inspections which, of course, are run municipally.

I am not sure how co-ordinated they are with the provincial consultants' inspections. We learned that they happen only on a once-a-year basis in terms of licensing and there is no guarantee that they take place other than that.

And I think that that role has to be enhanced. Now, whether you do it through the line Ministry as is the present model and just expand what they are doing or you move to something like you were talking about which is some sort of broader agency dealing with child care issues in a more generic sense across the province, is another matter.

I would suggest at this point we at least have a consensus that there should be more inspections being done and that that information go some place useful centrally so that it can be used for documentation.

The other thing that came out of those questions, I asked the consultants is that that information surely, in terms of accountability, about the most important regulations that parents should know about a centre should be posted in terms of, you know, the ratios between staff and kids of certain ages, the numbers who are supposed to have an early childhood education course background, that kind of thing should be available to parents to know and any time there is a report done on a centre, whether it is good, bad or indifferent, that should be posted locally again for the parental accountability as well as sent on up through the bureaucracy of the provincial government.

I do not know if we have a consensus on that, but it seems to me that that is one way of really enhancing the role of parents, perhaps most especially in centres like municipal centres where they would not have control, but in an advisory situation and may not be made aware of things as much, but if they at least had the opportunity as consumers

to see what the regulations were and what reports were saying about it, it would be a very useful means of keeping some -- of getting some more consumer control over the centre.

Mr. Cordiano: I have no difficulty with that.

Mr. Chairman: No difficulty. There is a consensus on that. I think that would probably assist in the inspection role as well.

Mr. Johnston: Yes.

Mr. Chairman: Okay.

Mr. Cordiano: Well, if we have a consensus on that, perhaps we should move on to the next issue of staff salaries and the kinds of difficulties that exist in all auspices and perhaps-- I would like to hear some of your comments on that, Mr. Johnston. I think I made my position pretty clear on that question.

Mr. Johnston: Well, if I were-- my preference would be - and I am not sure we can get this consensus out of the committee at all - but my preference would be to make a statement of some sort that, in our view, the quality of care should be reflected in the level of salary that is provided and that the importance of the service is reflected in that salary as well and that the present salaries are below any level, in most cases, that we would consider appropriate to the worth of the work that is being done.

Secondly, I would say - and there may be prior consensus on that - but what we do not have consensus on is that I would say that the best ways to ensure that level of salary is through proliferation of the non-profit sector, that any kind of attempt to assist the profit sector to do it on its own through a management enhancement of a direct grant is not the appropriate means to go and that unionization is the other major means of enhancing the level of salaries and benefits.

If you look at some of the profits, profit-making agencies which have better salaries, they are all unionized locations.

I presume you are not going to get a consensus this is on either of those two matters, but I would think that my preference would be to make that kind of a statement about the best way, for long-term, to get an enhancement of the salaries in those centres.

And the other would be to say that a direct grant of appropriate level, and I am talking now something like about 30 per cent of what the per diem is, would be one way of

guaranteeing an enhancement of salaries in the non-profit sector over the next number of years.

Mr. Cordiano: Well, certainly you are not going to get a consensus on that, but...

Mr. Johnston: Thought I had you for a second.

Mr. Cordiano: Almost. We are still not going to, as a practical matter, we are not addressing what is happening out there currently. If we do not address that in the commercial centres, as I pointed out on numerous occasions, we are going to have a deterioration of the situation in the commercial centres. Very, very quickly we are going to see that happening, if we put our efforts in shoring-up salaries in the non-profit sector.

You have something like 5,000 employees in the profit centres, something in the neighbourhood of 5,000 employees. You know, you are just not going to be able to address the question of the lower wage in commercial centres without doing something about it and without shoring-up those salaries.

I cannot see how that is going to happen if you are moving to-- even if we have profit operators moving into a non-profit sector, you are still going to have a significant number - and this is where we have some debate - you are still going to have a significant number of operators in the commercial sector with that difficulty. Those workers will not be paid adequate wages, have not been paid adequate wages and there is going to be that difference, that discrepancy continues and affecting, I am sorry, if I could just finish.

Mr. Johnston: Sure.

Mr. Cordiano: Following from that you are still going to have an issue of quality; as a result of that, a lack of or sub-standard care in those commercial centres.

Mr. Johnston: The only...

Mr. Chairman: Mr. Baetz?

Mr. Johnston: Sorry.

Mr. Baetz: I was just going to ask: What is the differential between the salaries in the commercial and non-commercial now? We have heard it...

Mr. Johnston: 30 per cent approximately.

Mr. Baetz: How much?

Mr. Johnston: About 30 per cent.

Mr. Baetz: 30 per cent. What was it, \$11,000 and \$15,000 or something?

Mr. Johnston: It depends what you look at. The highest level of salaries generally speaking are in municipally-run centres and there it is as high as 40 per cent difference, as I understand it approximately, and in the non-profit sector, in general, versus the profits, it is around 30 per cent.

Mr. Baetz: And the turnover rate of employees in the commercial is much higher than it is in the other?

Mr. Johnston: Right.

Mr. Baetz: Is there a lot of transfer from the commercial to the non-profit?

Mr. Johnston: Yes.

Mr. Baetz: That is where they usually go then?

Mr. Johnston: Sure. They go to the better system.

Mr. Baetz: Then if you enrich the program in the non-commercial, you are surely going to have an enormous exodus from the commercial unless things happen there.

Mr. Chairman: Also an additional factor, I think we heard, that the numbers of people going into the community colleges to take that particular expertise have fallen off because of, I suppose, the lack of available spaces and the attractiveness of it.

Mr. Johnston: Well, because of the-- not so much the lack of spaces, although that is part of it. It is more that the highturn over of staff, even though the placements have been quite high, generally speaking for most years, the fact that it has now got back through the sort of word of mouth system and that you do not last long because you cannot afford to last long.

If you look at the turnover of the centres, I know from my riding in east Toronto in general, more than half of the people who leave a centre leave child care. They do not...

Mr. Baetz: They leave the field?

Mr. Johnston: They do not opt back in at all because there are not that many spaces to go into a non-profit sector that are opening up and they have no choice but economically to go out of the system. But that is what my

experience has been.

Mr. Cordiano: But those that are qualified early childhood educators do tend to go to the non-profit sector or the municipally-run sector. If those jobs become available, they are lured into that sector because of the higher paid salaries and I think that is a fact.

Mr. Baetz: I think it was the higher paid salaries, as well in the profit sector, they said they witnessed things that made it very difficult to...

Mr. Cordiano: For whatever reason, you know, one of the things that you cannot dispute is the fact that salary is something of an attraction. Obviously, if you are working for \$13,000 a year why not move to a job that is going to pay you \$19,000 a year or something like that.

Mr. Johnston: I am wondering, because I do not think we are going to get a consensus on this and we are identifying another thing to come back to, just a couple of things I would say before we leap too strongly into the notion again that we are going to be able to do much about quality of care and salaries by giving a direct grant to the corporations.

I would just say that the notion of government involvement in the salaries of the private sector is one that is causing concern in general these days and, you know, it may be best addressed by something like equal pay kind of legislation rather than equal pay for working for equal value legislation than trying to do it through a direct grant approach; that is, subsidizing the for-profit operation, which is what you essentially do, as an attempt to raise salaries.

This, in my view, would be an inducement to me as an operator to, in fact, lower my salaries and let the government raise it to a level that it thinks is suitable. Why not then keep them as low as you possibly can.

I do not think it is the best economic plan in the world to see that as government's role to be going in and subsidizing salaries rather than to do what you can to enhance the capacity of people to get their salaries raised.

In my view, that means getting them into the non-profit sector as early as possible so parent involvement can help foster that and then the money that is used for profits can be put into salaries and by encouraging them to get unionized and take power into their own hands.

Mr. Cordiano: The reason that you have a problem with salaries as well, and I have stated this and you will not accept it as a factor, but obviously, if fees are so high...

Mr. Johnston: But they are not.

Mr. Cordiano: If you are going to raise salaries for the private operator, he is going to have to raise fees, then you are going to get into an affordability problem.

Mr. Johnston: Well, it is only partially true. I mean, look at the difference...

Mr. Cordiano: Sure, it is true.

Mr. Johnston: No, no. Look at the Queen's Park day care centre and that private example that we were given the other day in that budget in terms of the actual fees. The fees here at this centre are much higher even with the direct grant that we have available to them and to nobody else in the provincial sector.

Mr. Cordiano: You should not admit that.

Mr. Johnston: That even though those fees are higher than the example we were given before and salaries are still something like 90 per cent of their budget - I cannot remember exactly what they are over there - and so I would say to you that that is not the case.

Within the market that is out there at the moment often the fees charged by a for-profit agency are below those in the non-profit sector these days and, therefore, you not going to be priced out of the market by actually - even today without any grant at all - by raising your salaries. It, in fact, is not the case.

Mr. Cordiano: See, you just made a point...

Mr. Cooke: You might want to take a look at a place in my home community that ABC which is a small chain and the wages have gone up considerably to \$8 an hour which would work out to about \$15,000 or \$16,000 a year which is not, by any stretch, great but it is at the higher end of some of the salaries in the for-profit sector.

The only reason they changed, you take a look at the rates they charge for the parents for their kids and they have not changed much in the last couple of years. The only thing that has changed has been wages and the condition that has changed is that they have unionized under CUPE and signed a contract.

So that all that has done, it has lowered their profit margin and raised the wages. So it has been a shift from profit to wages. So money must be there in the system to some extent.

Mr. Johnston: And the waiting lists are long in the private sector.

Mr. Cordiano: You are arguing on the basis that you can do that without sacrificing something. Something is going to have to give. You are either going to have to raise your fees. If you do not have a direct grant to supplement those incomes, you are going to have to do that, otherwise something will be sacrificed.

And there are many, many operators that are operating marginally right now.

Mr. Johnston: It may be that there will be some increase in fees but there also is the possibility of clearly increasing your budget bottom line by doing that and, therefore, increasing your profit -- if you cut your profit margins marginally as well...

Mr. Cordiano: If I take your argument though, what is to stop the private operators from increasing their fees now and increasing their profit margins?

Mr. Cooke: There is nothing.

Mr. Cordiano: Ask yourself that question. At the present time, in the current market situation, unlimited demand.

Mr. Johnston: Sure, but why should they bother when they jdo not have to pay people more than they are paying?

Mr. Cordiano: But you are assuming that they are making huge profits. We do not have that much...

Mr. Johnston: We do not know.

Mr. Cordiano: Oh yes, we do know.

Mr. Cooke: Well, if you do maybe you should file that information with the committee.

Mr. Cordiano: We know to some extent that that is not the case. I mean, we can see the profit margins, particularly with those that are locked into purchase of service agreements, there is that built-in factor for profit.

Mr. Cooke: Well, if they are not making much money then they will not resist a conversion policy.

Mr. Johnston: That is right, they will all be excited about it.

Mr. Chairman: I think we have reached a full circle

and I really do not think anything more productive can be done in terms of a consensus. I think time is getting on, I think we should get perhaps into the matter of dealing with it in a non-consensus way, if that is appropriate, today. If it is not then we will defer that.

Mr. Johnston: Well, I am not sure it is. The way I am hearing the arguments at the moment would be as follows: The Liberals and ourselves are pretty much in the similar mind set to that which we came in on in terms of some of the crucial issues. The Conservatives are...

Mr. Baetz: Still thinking.

Mr. Mitchell: Still percolating.

Mr. Johnston: Developing as it should.

Mr. Baetz: Wise way to go.

Mr. Johnston: That is right and that what may be very wise for us to do at this point would be to agree to have Cathy try to -- without any other further clarification or confusion, she would like us to give her - before we adjourn would be to to allow her to come back with a statement of these first groups of matters, you know, the introduction, the principles, the state of things today and then the issues that we have now outlined.

It may be from some of those where we have got consensus, we may even be able to put down some of the consensus recommendations, but I doubt that there would even be many of those at the moment, and leave the discussion of the matters of disagreement until another meeting and recommendations at that time and agree to re-convene some time early in the first week or two when we are back.

Mr. Chairman: Mr. Cooke?

Mr. Cooke: Well, I agree with that and can I suggest, Mr. Chairman, if that is what the committee decides that you get a letter off to the House leaders...

Mr. Chairman: We are going to require consent to do it, obviously.

Mr. Cooke: Well, there are a number of committees that have written to us asking to be able to meet in that first couple of weeks, so you should get a letter off and tell them what the topic is, writing a report, and I am sure you will get leave to sit, but we better get the letter in quickly.

Mr. Baetz: Good point. Well, I would appreciate that timetable because we still have to decide what is right.

Mr. Cooke: So are we having lunch?

Mr. Johnston: Who is buying?

Mr. Chairman: Just to follow-up on that, David. Just to follow up on that -- David, recognize that we are going to have to take, I suppose, what we get in terms of time, is there any - for the convenience of the committee members - is there any time that is better than...

Mr. Johnston: For people on Social Development, the better day of the week for us to meet would be a Wednesday, but I do not know how that affects other responsibilities that the PAs may have, but if we are around the House anyway that that would be a day that Social Development does not meet.

Mr. Chairman: All right.

I share private bills and legislation that day.

Mr. Cooke: You have got that in the morning or is that afternoon too?

Mr. Chairman: It used to go just the morning but these days it is going even later than that, sometimes one. We could probably do it in the afternoon.

Mr. Johnston: Then the afternoon on a Wednesday would be fine for us.

Mr. Chairman: Okay.

Mr. Baetz: I would think do that as early as possible once we get back, very early because a lot of things are stirring and who knows.

Mr. Cooke: Well, the reality, if we are going to get a report finalized, tabled in the House and try to get a date in the House to debate the report, I mean we should try to aim maybe even for the first Wednesday, if that is possible.

Ms. Fooks: I am away.

Mr. Cooke: You are away?

Ms. Fooks: I am away the second Wednesday.

Mr. Chairman: The second Wednesday.

Mr. Cooke: Well, you had better change.

Mr. Chairman: In addition to that, I do not know

whether it was ever determined whether we had authority, I guess we have authority to file it in the House even though it is -- all right.

Okay, I will get a letter off and I will see if we can get that right away.

Ms. Fooks: I have one question.

Mr. Chairman: Yes?

Ms. Fooks: Under the statement of principles section, was there consensus on eventually moving towards a non-profit system?

Mr. Johnston: I do not think so.

Mr. Cordiano: No. I think what we are saying is that the expansion of the system will be directed entirely towards a non-profit sector or the efforts of the government would be in the non-profit sector.

Mr. Cooke: I thought I read in the Toronto Star an editorial that we should move eventually in a non-profit system and I thought they always voiced Liberal Government policy.

Mr. Cordiano: What I am saying is none too different, sir?

Mr. Johnston: A limited consensus.

Mr. Chairman: Well, I think we have-- or anything else for the good of the club?

Mr. Cooke: Let's cancel tomorrow.

Mr. Chairman: You want to cancel tomorrow, do you?

We will meet tomorrow then at ten o'clock, Hospital Management, start off with the briefing so...

Mr. Baetz: When is this?

Mr. Chairman: Tomorrow morning.

Mr. Cordiano: Just one final point.

We will sit down and talk about some of the basic principles in more detail once -- you have got some of the outlines and I would like to see those again and go through them and see if we have left anything out, in specific terms, but I think we have covered most of the major general areas. So when we come back we can make whatever ...

Mr. Chairman: Okay?

Mr. Baetz: Sure.

Mr. Cooke: When are you going to be away? Maybe we can try to schedule it?

Mr. Cordiano: Any time you like.

The Committee adjourned at 3:55 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
HOSPITAL MANAGEMENT SERVICES

WEDNESDAY, APRIL 15, 1967

Morning Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDF)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson
Sheppard, H. N. (Northumberland PC) for Mr. Andrewes

Clerk: Deller, D.

Clerk pro tem: Arnott, D.

Staff:

Fooks, C., Research Officer, Legislative Research Service
Labelle, R., Lecturer, Department of Clinical Epidemiology and Biostatistics,
McMaster University

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Wednesday, April 15, 1987

The committee met at 10:24 a.m. in room 1

CONSIDERATION OF HOSPITAL MANAGEMENT SERVICES

Mr. Chairman: I recognize a quorum. There is an item, before we start, that should perhaps be discussed in camera so perhaps we could ask the... First of all, I should find out whether the Committee is agreeable with that. Roberta wants to make certain statements to us.

Mr. R.F. Johnson: In camera? Sure.

Mr. Chairman: All right.

Mr. R.F. Johnson: Well, if our briefer is wanting to brief us in part in camera as well as public, then I think we should say fine; we would like to do that.

Mr. Chairman: Maybe you can find out what the nature of that is and then we can make that decision more intelligently perhaps.

Mr. R.F. Johnson: As far as I am concerned, if she has made the request, it is fine with me.

Mr. Mitchell: Yes.

Mr. R.F. Johnston: So we go in camera first and then go public.

Mr. Chairman: All right.

Mr. R.F. Johnston: Goodbye Hansard.

The committee continued in camera at 10:24 a.m.

11:05 a.m.

Mr. Chairman: Welcome back Hansard and everybody else. Roberta, perhaps you would like to start.

Ms. Labelle: Okay. I would like to take a minute to go over the experience we have had in Canada with possible contract management, some of the reasons that have been cited for and against this practice, what the evidence is from the U.S., what the evidence is from Canada, and what the unresolved questions are.

In the first page of the brief is the definition that

is generally accepted for contract management where the private management firm is paid a sum of money to assume the day-to-day responsibilities for managing the hospital. That sum of money can be a flat annual payment or it can be tied to the performance of the hospital, in some way tying in payment to existence of a surplus.

Contract management in Ontario, two cases that I am aware of: Hawkesbury and Direct General Hospital, which has been engaged in a contract with AMI to run a 110-bed facility -- and there are more details on this in the brief -- and the chronic care wing of Queensway General Hospital, which is now run by an Extendicare Hospital Management and Development Ltd. It is a 120-bed wing and again more details are provided I think on page 5 of the brief.

Elsewhere in Canada, other examples of hospital contract management: Recently, Athabasca General Hospital is contracted with Extendicare to provide management expertise for its 73-bed facility.

Mr. R.F. Johnston: Where is it?

Ms. Labelle: It is in Athabasca. It is in Alberta.

Mr. Chairman: It is around the tar sands.

Ms. Labelle: Thank you. There also was an example of Comp Care Corp. Canada running the Alcohol and Drug Rehab Unit in the Wetaskiwin General Hospital also in Alberta; however, they no longer run that contract. So number three, the Athabasca, is a new contract and four is a contract that has been abandoned.

On the second page I have listed some of the arguments for and against that are most frequently heard when examining the use of for-profit contract management as an alternative to public management of Ontario's hospitals. The first four items under the advantages -- Improved managerial skills: The product of a management firm is its managerial expertise and so therefore it obviously tries to sell itself on the quality of skills that it can provide.

There is also the argument that private management firms bring to the hospital better management and information systems -- things that are referred to as MISs. They have fairly well-established information systems -- hardware and software -- to support them in the U.S. and elsewhere, and it is thought that by contracting with a management firm, the hospital would gain access to these fairly sophisticated systems.

There also have been some assertions, and these are all basically, by the way, assertions, I should emphasize.

There has been some assertions that there is greater incentive for a private management firm to do what we have labelled as improve the use of factor inputs. That means that they are more willing to take a hard line position with the medical staff and with the support staff in terms of cutting back on the number of employees. And this is why a lot of the labour unions have voiced dissatisfaction with private contract management because apparently private firms are much more willing or have greater incentive to enter these confrontational situations with both the medical and support staff. We do not know if that is in fact true.

Similarly with capital, it is thought that the private firm, since their revenue profit from the management is tied sometimes into the existence of a surplus, that they will have a greater incentive to reduce excess capacity and use existing facilities efficiently.

So the first four all have to do with the ability of private contract management firms to reduce costs, basically, and to run the hospital efficiently.

There is also a claim that they are more likely to use outside tender contracts for support services and some types of special patient care services because they are willing to take again the unions on in a confrontational situation in order to increase or maximize the efficiency of the hospital.

And finally, it has been claimed that private contract management often provides hospitals with access to private capital that is needed for either building new facilities or upgrading existing ones.

On the disadvantage side, certainly one of the key debates in the States has been whether or not contracting out management to private firms will lead to cost selectivity of admissions, a bias on the hospital's part towards low-cost patients away from high-cost patients, and whether they will try to shift their case mix to increase the possibilities of earning a profit.

There has also been arguments about the potential towards the substitution of ambulatory home care for hospital services, that hospitals will have the incentive to shift care outside their hospital and into the ambulatory and home setting and thereby reduce the cost to the hospital but obviously not reduce the cost to the health care system.

What is cited as an advantage is also cited as a disadvantage in terms of the increased use of outside tender contracts and its implications to the labour force in a hospital.

And finally it has been argued that private contract

management firms are more likely to target their efforts at hospitals that exhibit inefficiencies well in excess of the industry average so they are going to go into hospitals in which it is fairly easy to turn things around. That has been the argument.

We do not have much experience from Canada. We have no systematic evidence certainly. There has been quite a bit written on this in the U.S.

And the three main lessons that come out of a review of the U.S. literature: First of all, if there are any differences in efficiency of operation, they are attributable to the ownership of the facility, not to the management. So private ownership tends to yield quite different results than public ownership but private management and public management really make little difference.

And secondly, the --

Mr. Chairman: Sorry. Could you go back to that -- what you have reviewed?

Ms. Labelle: Do it one more time?

Mr. Chairman: No; no. Just the last statement you made.

Mr. R.F. Johnston: It is on page 3.

Mr. Chairman: Well, that is not the way I read it; that is why.

Ms. Labelle: That differences in operating efficiencies and profitability are much larger between private and public ownership than between private and public management. So it is the ownership of the facility that tends to provide the incentives for efficient management practices.

Mr. Chairman: Okay.

Ms. Labelle: The second lesson from the States -- and this is something that is often misinterpreted -- is that all the evidence indicates, or certainly most of the evidence indicates that proprietary hospitals are more efficient in the U.S. They have higher levels of profitability but they also have higher costs. The reasons they are more profitable is because they have higher per patient revenues so they do not increase their profits or show greater profits by decreasing costs, but rather by maximizing revenue.

Mr. R.F. Johnston: Am I missing something on this?

Would a non-profit not always, by definition, be less profitable than a for-profit? I guess I am having trouble with the terms here.

Ms. Labelle: No. Non-profits generate surpluses which can then be reinvested or used to expand services.

Mr. R.F. Johnston: But the goal is not to create a profit.

Ms. Labelle: Not to distribute that profit amongst the shareholders, yes.

Mr. Chairman: It is a matter of definition whether there is a surplus of profit or...

Mr. D.S. Cooke: But what you are saying is that the reason the profit is there in the private sector is because they charge more.

Ms. Labelle: Exactly.

Mr. D.S. Cooke: I mean, even I could do that with my Bachelor of Social Work.

Ms. Labelle: This is evidence though; it is not hypothesis.

The third point is that there is some evidence from the States that there is selectivity of admission that private facilities are less willing to take the high-costs cases, which are not necessarily always the most severe, but they do "cream skim" -- deflect to other, mostly public, institutions -- patients who are deemed to be costly.

So that is the U.S. evidence. The evidence from Canada is very limited and, in fact, we have really have no empirical tests of whether or not any of the phenomena that we have observed in the States are true in Canada mostly because we only have -- at least in Ontario -- two instances.

The contract that Hawkesbury engaged in with AMI, the details are outlined on page 4 of the brief. The record of AMI's performance is stated on the bottom there that is marked from the interim report, and those data are provided to us by the Ministry of Health. Upon taking over management of Hawkesbury, AMI turned a deficit situation into a surplus situation. What is not known with perfect certainty is the exact amount of that surplus or how it was generated.

The second example we have is the Queensway General Hospital --

Mr. Chairman: Before we get into that, Mr. Leluk, I think you had your hand up and perhaps wanted to put something on the record.

Mr. Leluk: Well, yes, Mr. Chairman. If you want me to put it on at this particular time, I just wanted to mention that I am a sitting member of the Board of Governors of the Queensway General Hospital. I just want that on the record in the event that when this matter comes up for discussion before this committee, I guess I will have to make a decision as to whether I should participate in that discussion and then, if there is any voting, whether I should be voting. At the moment I do not see any problem but I just want to put that on the record.

Mr. Chairman: I do not anticipate any votes. It will be a briefing, basically, today and tomorrow. So when this happens, you can raise that issue.

Mr. Leluk: Thank you, Mr. Chairman.

Ms. Labelle: The second case of contract management in Ontario is the Queensway General Hospital, contacted with the Extendicare Hospital Management and Development Ltd. to provide managerial expertise over a twenty-year period. As part of the contract, Extendicare provided 4.2 million of the 5.9 million construction costs of the new chronic care facility. The details of the contract are set out on page 5 of the brief.

So we really have very little on which to analyze the performance of hospital contract management in Canada. On page 6 are listed some unresolved issues that the committee might want to address in its deliberations over the next two days. Pardon?

Mr. Chairman: I was just raising my hand.

Ms. Labelle: First of all, it would be nice to have a clarification of the true track record of AMI. There are conflicting reports about the size of the surplus although everybody agrees that a surplus has been generated. As well, it would be nice to know what factors were responsible for generating that surplus and how AMI went about doing it.

Secondly, we have little evidence or knowledge about whether Hawkesbury and Queensway are isolated cases or if they are indicators of a growing trend toward private contract management. Generally, what we have seen though is a real shift in the attitudes and performance of public managers.

If I could just refer you back to page 2 of the brief again, many of the often-cited advantages of contract management are actually being realized within the public

system right now; for example, better management and information systems. There is a fairly extensive patient classification system in the management information system that is being used by most Ontario hospitals right now. It is also being evaluated by the Canadian and Ontario Hospital Association.

Purchasing agreements: There are bulk purchasing agreements routinely entered into amongst hospitals. As well, we see there is a trend, at least in Toronto, towards merging of hospitals to take advantage of economies of scale in certain areas.

Public hospitals have certainly used outside tendered contracts for many of their services, and the interim report documents the extent of outside contracting for things like laundry and maintenance.

There is a brief that has been submitted to the committee -- I do not know if the authors are going to appear before the committee, the authors being Deber and Fried -- in which they argue that the trend is not toward increased privatization of public facilities but increased corporatization of existing facilities. So our public facilities are now starting to adopt many of the techniques that previously were thought to be the exclusive domain of the private sector.

The third unresolved question is the role of the private sector in providing capital funds for upgrading and/or constructing hospital facilities. In both the AMI case in Hawkesbury and the Extendicare case in Queensway, hospital contract management was tied into provision of funds for the construction of a new facility in Queensway and upgrading and constructing a new facility in Hawkesbury, as well.

So it will be important to disentangle the role of the private sector in providing funds and providing management expertise and trying to get a handle on whether the two go hand-in-hand or if they really are separate roles.

Mr. Chairman: I think it is of importance, and I think it is the Committee's wish and it certainly makes sense in terms of what we are reviewing, that we invite AMI -- people from AMI -- and from the Queensway. I guess the extent to which we go into that, whether we go into the trustees as well as the management company, is something I will leave up the committee.

But I think that from what we gather from our researcher, they are certainly amicable, and we could do that in further days in the sitting; we only have two days at this point. I am just wondering if, in line with that, if the committee also wishes that the authors of that brief

as well to appear before us, whatever their name was. What was that?

Ms. Labelle: Deber and Peggy Leatt.

Mr. Chairman: Where are they from?

Ms. Labelle: University of Toronto.

Mr. Chairman: They are local.

Ms. Labelle: There is research being done at U of T on the trends in hospital management.

Mr. R.F. Johnston: I wonder if we maybe can make some decisions about all this after we finish our discussions here this morning and then...

Mr. Chairman: Okay. I have a list of speakers. Mr. Leluk, you were on the list but I gather it was only --

Mr. Leluk: It was just for that.

Mr. Chairman: Mr. Johnston?

Mr. R.F. Johnston: Thank you, Mr. Chairman and thanks, Roberta, for the briefing. It was very helpful.

Just a few things. In your, page 6, unresolved questions, when you were talking about AMI, the fact that there is some discrepancy in sort of the reporting of what the surpluses are. As I understand it, the information you have given us today is from the Ministry of Health?

Ms. Labelle: Yes.

Mr. R.F. Johnston: And that there has been other press announcements of assertions of surplus that vary from that?

Ms. Labelle: Yes.

Mr. R.F. Johnston: Okay.

Ms. Labelle: You want me to identify them?

Mr. R.F. Johnston: If you can that would be great.

Ms. Labelle: Okay. In a Macleans article, February 25th, 1985, titled "Privatizing Public Care," it was stated that AMI eliminated the existing \$350,000 deficit and earned a surplus of \$369,000 in 1983, which contradicts what the Ministry reports.

Mr. R.F. Johnston: By your question, what we really

need to understand is a little more information but how these surpluses were generated. I also remember that part of the deal was 300,000 plus dollars going from the Ministry of Health to pay down the deficit; was it not as well? I am straining my memory and Mr. Cooke has helped by saying that that is the case. And that what we really need to know from AMI essentially is a little more information on how these were generated.

There could be a discrepancy here between notions of when years end -- is that possible? -- in terms of government --

Ms. Labelle: Some figures are reported on a fiscal-year basis and some on a calendar-year basis so that would have to be taken into account when comparing the figures.

Mr. R.F. Johnston: So we would have to be careful about that when we ask our questions of them.

Mr. Chairman: Could I just interrupt for a second. Is it possible that that additional amount is in the '83/84 -- I think that was what Richard was saying earlier; at least that is the way that I read it -- because they only took over on January 1st, '83, and they would not be reporting until the end of that fiscal year so it may be in the '83/84 figures.

Ms. Labelle: I do not have information on that but that is entirely possible.

Mr. R.F. Johnston: It seems to me, looking at the figures on page 3 or 4 or whatever it is -- 4 -- that we really need to know information over this entire period, and the amount of revenue rises quite substantially over that period of time, and we probably want to know how they managed that and how that has come about.

And I guess it ties in with your third thing here, what is the linkage here between the decision to take on a management contract and the whole question of capital involvement, given that in the two Ontario cases at least there seems to be that tie-in. And we might want to know from AMI some of the connections, financial connections, between the \$6 million bank loan and these operating figures that they have provided us with here in terms of was any of that surplus generated as a result of the financial dealings around the bank loan. That would be interesting to know.

Do we know whether or not the Alberta case which is still in operation, the Athabasca General Hospital, whether that was tied in with a capital allocation or investment as well or was that just in a management system? Do we know?

Ms. Labelle: No. I do not believe there was capital

involved there; it was just a management contract.

Mr. R.F. Johnston: So that one may be different from the other?

Ms. Labelle: Yes.

Mr. R.F. Johnston: Okay. I have a question about the Queensway, again trying to refresh my memory on this a little bit. When the province bought out the mortgage, that changed their per diem did it not? I mean, you have got the one twenty-four fifty-two per diem in '85/86; did that drop by the amortization figure of \$16 that you have got in the per bed per day that you have above or was it more than that? I cannot remember the figures now. Do you happen to know off hand?

Ms. Labelle: I am not aware of the figures. Some are in the interim report I think, but Cathy has been talking with the Ministry on this. I do not know if you have any more information.

Ms. Fooks: No. This all came from testimony from Randy Reid when he appeared before the committee and we did not pursue it really much further than that.

Mr. R.F. Johnston: I remember some talk at that time and I just cannot remember what the figures were. I was just wondering. I think we can find out quite easily from the Ministry of Health on that.

One of the good things about having the Ontario Hospital Association before us I think is going to be dealing with a couple of the questions you have got there in terms of trends and what they see as trends and changes in management style at various hospitals over the last little while. So I think that will help us focus in on the question of whether it is really a matter of privatization that is important or whether it is management style adaption which is one of the major factors.

It does seem to me, after others have spoken on this, Mr. Chairman, that we will want to probably take the initiative of writing to AMI, Lakeshore and maybe others about receiving further written information that can be tabled with the committee so that we can make a decision if we want to vote further discussions on this matter or whether we I think we have got all the information we need.

Mr. Chairman: Mr. Cooke?

Mr. D.S. Cooke: Thank you, Mr. Chairman. One of the things I would like to know is the \$16 per diem that was for the capital for the Queensway deal, what interest rate that was based on. A policy question for the Ministry is what

was the motivation?

My recollection of what happened was that there was very little capital in the Ministry of Health's budget and the hospital needed to be built and this was the only way they could access the capital. So the motivation had very little to do with trying to get a more efficient, or an efficient, private sector operator; it had to do with the only way they could access capital.

So then the question is which was less expensive? Was it less expensive for the public to supply the two-thirds capital and the government of Ontario to do the borrowing or was it less expensive to have a private corporation access capital? My recollection is that it was much more expensive to go the route that we did, and ultimately, as interest rates dropped, it became so much more expensive so that the only option was to buy out the contract.

On the Hawkesbury, it would be really interesting to find out why the revenue did go up in a four-year period by 60 per cent and then the revenue goes up by 60 per cent in four years. That is certainly not in line with the increase in hospital grants over that period of time and at the same time costs go up about 55 or so per cent. And in the one year from '81/82 to '82/83, their revenue goes up a million dollars and their costs go up about \$800,000. So at that particular time they turned that into a profit or a surplus of \$221,000.

Now, it may in fact be that anybody could have accomplished that. My recollection was that in that particular year the Ministry did provide special funding to a number of hospitals, including this one, to wipe out their deficits and that it was not a great miracle that AMI was able to do that.

I think that eventually it would be useful, in addition to talking to AMI and to Extendicare and the hospitals, I would also like to talk to the Ottawa hospital that made the bid for the Hawkesbury contract and look at it from their perspective. But I also think that we need a briefing from the Ministry of Health before we have any of those people and put some of the questions to them as to what the policy considerations were in making these decisions.

Obviously, we would want to know from AMI if they could give us an idea of any shifts in patient profiles from the time before they entered until the time after, as well.

But I think from your briefing, the information just simply points out to us that many of these decisions seem to be made on an ad hoc basis rather than some real economic and health care considerations being put into play by both

boards and by the Ministry.

Mr. Chairman: I would add to that I think the briefing is excellent. When we had our sub-committee meeting I think had we had that, we would have had a much more expansive list of people coming here. I think in fact, as I recall, the contracts that were referred to in the sub-committees were things like laundry and food services and so on. And I think we had a selection or a group of four -- perhaps correct me, Mr. Cooke -- we sort of put this in there as, I guess, a choice of the sub-committees but one which -- I do not really think we really thought about the extent of what the briefing has brought to our attention about how important it is to have them before us.

Cathy would like to know at some point who exactly we want and what we want to ask them so we are getting everything here.

Mr. Chairman: I have no more speakers unless there are -- Mr. Reycraft?

Mr. Reycraft: Mr. Chairman, I want to, I guess, basically agree with what Mr. Johnston and Mr. Cooke have said in that the report, while it is very helpful, it leaves a number of questions which have been raised at this committee already unanswered and also raises a number of new ones.

Just in response to what Mr. Cooke has pointed out, there is a danger in jumping to conclusions with respect to the rather dramatic change in the surplus deficit situation between '81/'82 and '82/'83. Since the management contract did not actually commence until January 1, '83, only three months of that '82/'83 period would have been spent under that particular contract, and I think it is rather frivolous to suggest that the contract management would have had a significant role in the change of that surplus deficit situation.

Mr. D.S. Cooke: I agree that is the conclusion I came to.

Mr. Reycraft: Pardon?

Mr. D.S. Cooke: That is the conclusion I came to but because AMI probably had very little to do with it altogether.

Mr. Cordiano: What is the fiscal year-end? Is it March 31st?

Mr. Reycraft: March 31st. So anyway, Mr. Chairman, there certainly is a need for additional information, and I agree that the committee has a lot more work to do.

Mr. Baetz: Mr. Chairman --

Mr. Chairman: Excuse me just a second, if I could. I am not certain whether anybody here can say from experience on a hospital board, does a hospital report on the same year-end as the province or do they report on an annual? I thought it was an annual year-end.

Mr. Leluk: It is an annual.

Mr. Chairman: I think is annual. So that perhaps is something we want to know, too, in order to figure this out. Mr. Baetz?

Mr. Baetz: Well, I was just going to reiterate the thing that has been mentioned several times, that we would like to know a little more about how they arrive at these year-end surpluses and deficits. If you look at the three years -- '83/84, '84/85, '85/86 -- there are obviously these sharp fluxuations from 600,000 way down to 27 and up to 273. But if you average that out for three years you get to 300,000 a year. So you could draw a conclusion from that and say, "Well, that average surplus is sort of 300,000." I do not know if it is or not, but obviously we will have to have some more information from them.

But if it is an average of 300,000 a year surplus, it certainly does compare very favourably to the deficits that took place perennially before the management people came in because certainly Hawkesbury, every time you went into Hawkesbury, the big talk in town was that mess up at the hospital -- old building and badly managed and deficits and the whole thing.

I guess that sort of raises another question. We know of only two cases where the community -- or several; here in Ontario two cases, two communities -- where they have actually gone ahead and signed contracts with management firms. Has anybody got a handle on any other communities throughout Ontario where they were seriously pursuing this idea and then obviously dropped it because they did not sign the contract and for what reason? Having examined the possibility, then having decided better not go that way, is there any information on that at all?

Mr. D.S. Cooke: You could ask the Ministry of Health. I know one area where they were looking at it at one point was Stratford and they decided not to go with it. But I am sure there are others and the Ministry, I am sure, would be aware of it.

Mr. R.F. Johnston: That would be the only place to go unless the Ontario Hospital Association coming before us has some information. But I imagine that would be anecdotal as

well.

Mr. Baetz: Because a decision not to go is also a decision and it may provide some very useful information to us why not.

Ms. Labelle: If the hospitals went as far as seeking Ministry approval to pursue this, then the Ministry would have records. If it got to that stage, the Ministry would certainly be able to tell you how many were considering it.

Mr. Chairman: Mr. Johnston?

Mr. R.F. Johnston: Sorry, Mr. Baetz; were you finished?

Mr. Baetz: Yes.

Mr. R.F. Johnston: It strikes me that there are a couple of stages here. One is, looking at the list of people we have got coming before us which does not include AMI or the Board at that hospital or the Lakeshore board either, that we probably want to try to elicit some more information in writing first from them and probably from the Ministry of Health as well from their perspective on some of these matters.

Then perhaps subsequent to that, depending on what that information is or what kind of questions we think that information raises, decide whether or not we wish to have another little session of public hearings, perhaps just before we do the nursing home hearings in the summer, or whatever -- a day or so to look into those things.

But there are a number of things that I think we have touched upon today and one of them, from the AMI perspective, is the question of getting more information on the generation of surplus and an explication of how that has taken place. I guess we want a further breakdown of this financial information.

Perhaps Roberta could help us with the kinds of information that she thinks would be helpful for us to gather that would then allow us to address some of the questions. Is that fair to do to you? If you were trying to research this to find out more specifically about how a surplus was generated, what would be the questions you would be asking?

Ms. Labelle: I think if information were available, I would approach it as a two-pronged attack, first asking AMI if they could provide information on the sources of revenue and the categories of expenditure so we could address the question of to what extent was BOND responsible for the increased revenue.

As well, it would be nice to get an idea on utilization patterns over the period before and after AMI's contract, or during AMI's contract, I suppose. It would be nice in that case to have information on admissions and lengths of stay by some sort of patient classification or disease categorization so that comprehensive and a comparable before-and-after study could be done to assure that there were no changes in utilization patterns of types of patients treated.

Mr. D.S. Cooke: We need the revenue before and after too; would we not?

Ms. Labelle: Yes, but there is the problem of having BOND start up just the year prior to AMI's entrance.

Mr. D.S. Cooke: Did BOND only start the year before?

Ms. Labelle: I think so. I think it was 1981; I am not exactly sure on that. But the difficulty in looking at revenue would be to try and disentangle how much is BOND and how much of that BOND is attributable solely to AMI. So would BOND have provided Hawkesbury with the impetus it needed without AMI or would it or was AMI instrumental and crucial in turning BOND around to Hawkesbury's advantage?

Mr. Chairman: There is also the additional item Mr. Cooke raised as to whether or not during that year there had been a --

Mr. D.S. Cooke: -- special grant.

Mr. Chairman: -- a special grant.

Ms. Labelle: Yes.

Mr. Chairman: Which should show under any source of revenue.

Ms. Labelle: And Quebec patients as well. So, although it would be, again, ideal to have information for as many years before as possible, in the case of the revenue it is not as important.

Mr. D.S. Cooke: When did Larry cease being the Minister of Health? He was the one that brought in BOND and then Mr. Norton was Minister for quite some time. I cannot remember.

Mr. Chairman: Can anybody answer that question? Can anybody answer the question when your leader ceased to be the Minister of Health?

Mr. Reycraft: Norton became Minister either in 1981

or after 1981. At the beginning of '81, Mr. Grossman was the Minister.

Mr. D.S. Cooke: And Grossman brought in BOND shortly after he became Minister so it is possible that it was actually in the late '70s; no?

Ms. Fooks: I believe it was Timbrell who brought in BOND.

Mr. Chairman: I think that is right.

Ms. Fooks: Because -- (inaudible)

Mr. Cooke: Well, if Timbrell brought in BOND, then BOND was in for a few years before AMI came in.

Ms. Labelle: There is one thing about having it in and another issue about whether or not it is utilized to its maximum extent. There was some feeling that hospitals took a couple of years before they fully understood the intricacies of it and realized how to turn it to the advantage of their hospitals.

Mr. R.F. Johnston: But is it possible for us to give what Roberta is asking for from AMI management of the hospital now and to get the Ministry of Health to provide us with other information on revenue, et cetera, for the period before or is that not possible? Given that there may be real limitations of what we will understand, where are we best to ask for that information that Mr. Cooke suggested?

Ms. Labelle: For the revenue information?

Mr. R.F. Johnston: Yes.

Ms. Labelle: I am not sure how precise a breakdown on revenue sources the Ministry requires on hospital reporting. I think that if the HS-1 and HS-2 forms were in effect, then they should be identical, but it would be interesting to see if we could get it from both.

Mr. R.F. Johnston: Okay. Well, is that okay with you, that we would ask the members or we would ask AMI for information that actually proceeded them as well and that we would ask the Ministry for their information on revenues so then we can do a comparison of that?

Mr. D.S. Cooke: Is it possible to ask AMI for any documentation or any analysis of the hospital that they would have done in putting together their bid for the contract? I mean they must have analyzed the potential and the problems within that hospital before they made a bid for management of that hospital. That would give us some insight into the financial situation at the hospital.

Ms. Labelle: I think it is always possible to ask.

Mr. D.S. Cooke: Yes.

Ms. Labelle: I would assume that AMI would not go into a venture blind so they would have done some sort of preliminary analysis. Whether or not they can make that public I am not sure.

Mr. Chairman: That may be a point. If we are going to ask for this information from them, I would think that rather than causing delays by not saying that we would be prepared to treat this with confidentiality, perhaps we should do that right up front and indicate at least with reference to that last item. I mean, that is something that if it got out to their competitors...

Mr. D.S. Cooke: Well, I am not convinced of that, but I think before we made a decision on providing confidentiality, I think we make a request.

Mr. Chairman: Well, all right. Fine.

Mr. R.F. Johnston: I would not be surprised, Mr. Chairman, from my past experience on committees like this that what we may get back is a part of what we were after, and that we may want to do a follow-up in writing as well saying that "That was interesting information but we would like to know about this." Or "If your problem is giving us that information, would giving it to us in camera be useful to you?" et cetera. That kind of thing. So I do not think --

Mr. D.S. Cooke: But before we decide or agree to do anything in camera, I would want to have a full discussion in this committee. When the plant shutdown committee looked at, in detail, company documents that had shut down in this province, it was never in agreement that they go in camera. They subpoenaed the documents first.

Mr. R.F. Johnston: Is there any use in just following up on Roberta's point about utilization patterns where we would want admissions and lengths of stays -- two components. Is it possible within that at all to pull out information about referrals that might have been made of patients to other facilities and patterns of that? Can you get that or can you not get that?

Ms. Labelle: I do not believe it is available from the regular hospital reporting forms but they might have some record of that.

Mr. R.F. Johnston: I just thought it might be interesting to look at patterns there. For instance if more

or less patients or fewer patients are going to Ottawa now than before and who they are. It would be interesting if that is available. I guess we can ask and see what happens.

Were there other things that other members thought they might want to ask?

Mr. D.S. Cooke: Anything else that Roberta or Cathy feels that we need in order to make us more educated to guess at what is happening as possible?

Ms. Labelle: Unfortunately, from the questions identified on page 6, I think we will only be able to get, hopefully, hard evidence on the first.

The second and third really do not lend themselves to empirical examination and perhaps the subsequent testimony of people coming in here will help with those two. But really I think what we are after is the data addressing the first issue.

Mr. D.S. Cooke: From the hospital board and from the Ministry I would like to -- we can ask them when they are here -- but I would not mind getting something in writing as well as to what considerations were there in terms of why they were going to AMI -- why AMI was the management contract rather than Ottawa hospital. And I think I know the answer but I would...

Mr. Chairman: Is that...

Mr. R.F. Johnston: I think we can ask that of the Ministry. The other thing we can always do is have Ministry people come before us to discuss these matters subsequently if we choose to; whichever you prefer.

The other thing is that we probably should be separately asking the Ministry, besides AMI confirmation or their figures on the AMI matters that we are asking AMI directly for, whether or not, at least on the second question area that you are raising, whether or not the Ministry has any hard empirical data at the moment on trends.

As Roberta was saying, the actual requests have got to the level of being brought before the Ministry so that they are aware of them and ask them for any information they might have on that. I think you are probably right, that we may come up with nothing too substantial on that but at least we should pose the question it seems to me.

Is there anything on the Lakeshore financial situation that -- We have been concentrating here on AMI, but --

Mr. D.S. Cooke: I would like to know what went into

the \$16 per day per diem, what the calculation was to come up with \$16, what the cost would have been over 20 years, and, if possible, what the comparable figure would have been if the capital had been supplied, the two-thirds, by the Ministry of Health, what the cost would have been to the public.

Ms. Fooks: The cost if the Ministry had not bought out the capital portion?

Mr. D.S. Cooke: If the Ministry had provided the capital.

Mr. R.F. Johnston: Both sides, Cathy. Both if they had left it --

Mr. D.S. Cooke: -- and if they had done it themselves.

Mr. Cordiano: So what you are asking for is if the Ministry actually did an analysis of that?

Mr. R.F. Johnston: They obviously did by the time they decided to buy it out and did an economic analysis at that point presumably they did before as well.

I guess we could find out but we might as well just ask in the letter as well what the present per diem is, what it was reduced by from the 124. I think it was reduced following that because of the amortization thing being taken out but I cannot remember the figures so I might as well ask for that.

And the only other thing I have outside of that not for the Ministry is you hesitated a little bit on the Athabasca hospital as to whether or not there was any capital involved with that. Are you sure about that?

Ms. Labelle: No; I am not 100 per cent certain but my knowledge is that there was no capital involved.

Mr. R.F. Johnston: Okay. We could easily phone Alberta and just find out because I think that final question is an interesting one, which I had not really thought about at all before -- about the connections between the viability or the appropriateness of a private contract being tied to the whole notion of some capital funds being involved, and I had never even thought about that before.

Ms. Fooks: I am sorry; I missed that. You wanted to know --

Mr. R.F. Johnston: I wanted to know if, in the Athabasca case, was there any capital...

Mr. D.S. Cooke: The motivation in Ontario even in the Stratford case where they were considering it has always been access to capital. It has never been a desire by hospital boards to contract out management; it has been a desire to get capital and the Minister has not provided the capital.

Mr. Baetz: What year was that, the Stratford decision?

Mr. D.S. Cooke: The Stratford one was shortly after the Queensway, but the hospital board ultimately decided that the they would prefer not to have a new facility if it meant they had to lose community control. That is how they saw the issue.

Mr. R.F. Johnston: After we talk to the Ontario Hospital Association and get information back from the Ministry, we may want to send something out to various hospitals that have looked at the option and have decided not to proceed and ask them if they could give us a little bit of rationale for that.

Mr. Chairman: Mr. Leluk?

Mr. Leluk: Did we talk about other jurisdictions in Canada here? For example, what information do we have -- When I was in B.C. March the 7th of this year, Vander Zalm -- the government -- was talking of selling off their hospitals to the private sector. Do we have any information on that type of thing as to why they might have been thinking along those lines?

Ms. Fooks: In B.C.?

Mr. Leluk: Yes; in British Columbia. This was March the 7th when I was out there. It was in their local paper.

Mr. D.S. Cooke: It was here, too. Vander Zalm even said he would sell off the Legislature if someone offered the right price.

Mr. Leluk: Well, wait a minute. We are talking about privatization of hospitals and I am just wondering if we have any information on that.

Ms. Labelle: There is a distinction between privatization of ownership and privatization of management.

Mr. Leluk: Selling off.

Ms. Labelle: Well, if you sell off a hospital you presumably privatize the ownership. That was a question that was outside the purview of the narrower focus of the second stage so we concentrating here on the management

aspect.

Mr. R.F. Johnston: Do you presume though that if you sell off the ownership you must be selling off the management?

Ms. Labelle: Yes.

Mr. R.F. Johnston: I wonder is it possible for us at least to get government statements from -- All I have seen is the press report from British Columbia. Maybe we can see if there is a statement of policy by the B.C. government on this at the moment. Other than that there was just a couple lines about it I remember in a certain notable Toronto daily and I cannot remember --

Mr. Cordiano: We are talking about private ownership which is totally incompatible with the providing of management services.

Mr. R.F. Johnston: Pardon?

Mr. Cordiano: I do not think that would garner or glean any light on the kinds of things we are looking at here because if you are talking about privatizing an entire hospital in terms of its ownership, I think it is not comparable. I do not think there is anything that you can compare that with.

Mr. R.F. Johnston: Well, that is what Extêndicare in Queensway is about; is it not?

Mr. D.S. Cooke: It was a mix. I mean the Board still had some.

Ms. Labelle: I do not think it seemed to be --

Mr. Cordiano: I am sorry; I did not hear you.

Ms. Labelle: I do not think it seemed to be private ownership there. It was private provision of capital for construction but the ownership rests with the community and the board.

Mr. Cordiano: The community is still with the board; yes.

Mr. Chairman: It probably has a bearing in terms of the deal that is cut because I think the comment you made, and that is why I asked you to repeat it, was that the real decisive factor in predicting profitability is private ownership rather than private management. So I think it does have a bearing and it might be worth getting some information.

Mr. R.F. Johnston: I am not presuming we are going to delve into this Mr. Cordiano. I am just saying that if we can just get a government policy statement out of B.C. on this it might be interesting to look at in terms of their rationale behind it.

Mr. Cordiano: I just do not want us to get into it in any kind of detail because I do not think we are going to be comparing the same things here.

Mr. D.S. Cooke: You just destroyed the trip.

Mr. Baetz: It was on May the 28th; right?

Mr. Cordiano: It rains there all the time.

Mr. Chairman: Are there any further questions from members of the committee of Roberta?

Mr. R.F. Johnston: No; just thanks again.

Mr. Chairman: Thank you, Roberta, very much. Very succinct and informative and we appreciate that.

Adjourned until 2 o'clock.

The committee adjourned at 11:56 a.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
HOSPITAL MANAGEMENT SERVICES

WEDNESDAY, APRIL 15, 1987

Afternoon Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Leluk, N. G. (York West PC) for Mr. Turner
Mitchell, R. C. (Carleton PC) for Miss Stephenson
Sheppard, H. N. (Northumberland PC) for Mr. Andrewes

Clerk: Deller, D.

Clerk pro tem: Arnott, D.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

From the Ontario Hospital Association:

Hiscock, R., Past Chairman
Rudy, W., Vice-President, Member Services
Short, H., General Manager, Public Affairs

Individual Presentation:

Doble, Mrs. J. H.

From the Ontario Federation of Labour:

Sullivan, S., Vice-President; Ontario Co-ordinator, Energy and Chemical
Workers Union

O'Connor, T., Secretary-Treasurer, Canadian Union of Public Employees, Ontario
Division

Van Beek, J., Director, Public Relations and Publications, Service Employees
International Union, Local 204

Usher, S., Director, Special Operations, Ontario Public Service Employees Union

O'Grady, J., Legislative Director

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Wednesday, April 15, 1987

The Committee met at 2:09 p.m. in room 1

CONSIDERATION OF HOSPITAL MANAGEMENT SERVICES

Mr. Chairman: We recognize a quorum. We have the Ontario Hospital Association. R. Hiscock, would you come forward, please. And Mr. W.A. Rudy. And H. Short?

Mr. Hiscock: Hillary Short, sir.

Mr. Chairman: Hillary Short. Perhaps you would have a seat there in front of one of the microphones.

Mr. Hiscock: Thank you.

Mr. Chairman: Identify yourself and the people who are with you for purposes of Hansard. You can either proceed by making an opening statement, if you wish, or if you wish to simply proceed with your brief, which we all have a copy of. And then there will be questions from the Members of the Committee.

Mr. Hiscock: Thank you, Mr. Chairman. My name is Bob Hiscock. I am immediate past Chairman of the Association. And Willis Rudy is Vice-President of Member Services and Hillary Short is our General Manager of Public Affairs.

I thought I would not bore you by reading the brief. You have it. If it grabs you, I am sure you will read it in detail, but I thought I might just go over the highlights. And then simply, as you suggested, sir, open this up to whatever questions you may have to ask.

Just a word of introduction: We always start these briefs by describing OHA as a voluntary association of approximately 350 hospitals and other health care institutions in Ontario. It is important to note that we are an association, a voluntary association. It happens that all public hospitals belong, but we are not a disciplinary body or a regulatory body. We are an advocacy, educational, and member services oriented group. We operate central purchasing programs for hospitals, employee benefit plans for hospital employees, pension, group life and so on.

Given the structure of our membership, you could assume quite safely, I guess, that we come down fairly strongly on the side of not-for-profit hospital management, since that is what our membership are.

Given the diversity of the size of our members, varying from perhaps 34 beds to a 1,034, it is difficult for us to necessarily talk with one voice. All of our members have very different problems and all of them utilize, to some degree or other, private sector services; some to a large extent, some lesser. If you wanted to reduce our brief to one sentence, I guess, it would be something like: The private sector when necessary, but not necessarily the private sector.

We are firmly supportive of the trustee system of voluntary hospital governments and you, I think, have to look at us as coming from there.

In making our submission, we looked at the following questions, which we suspected you would be asking yourself:

Does "commercialization" or provision of services on a for-profit basis affect the scope, the quality of care in hospitals? Does it make care more or less accessible? Are there alternatives to, or in, commercialization which would be affordable to taxpayers, acceptable to providers and result in improved services to the public?

So, we looked at principally, I think, the involvement of the private sector in hospital management of services. In reviews of "commercialization" of the health care system, Canada as a whole, hospital funding issues and hospital management contracts with private sector, public versus private management of the potential for capital, we believe that the flexible approach, which encourages involvement with the private sector, is a beneficial model.

We continue to believe that it is crucial that policy decisions on how hospitals are managed continue to rest with voluntary hospital boards. Most hospital trustees are representatives of the community, and although I said that our hospitals by and large had a bias for non-profit management, many of the trustees, of course, come from the private sector. So it is not an unreasonable bias. We recognize the potential for some private sector involvement and some advantages. And, indeed, the Ministry of Health has encouraged us along those lines in many respects.

You will find within our brief - and I am not going to deal with it in great detail - the question of hospital funding issues. But on page 5, at the bottom of page 5, Item (ii), there is some information about revenue generation through BOND.

As most of you will be aware, the BOND Program or Business Oriented New Development was introduced in 1982, demonstrating a willingness of the government of the time to

introduce a certain amount of market force into the health care field and permit hospitals more flexibility in revenue generation. Under BOND, we are allowed to retain additional revenues raised from semi-private and private accommodations, and from other revenue-generating efforts.

Now, semi-private and private rates have been a major source of income. And I would like to just talk about them briefly to show that really - no matter what you do - there is no free lunch.

Semi-private rates have increased from an average pre-BOND rate, 1981, approximately \$16, to an average in 1987, \$39.50. At the same time the semi-private insurance rates, which Blue Cross charged to subscribers, have risen from exactly a \$1.25 to \$3.08, a proportionate increase. So, I guess my only point is there is no free lunch; somebody pays. It is a question of whether the payment shifts from one pocket to another - from the private pocket, in this case, to the public's pocket through an insured service.

Hospitals have done things like provide for parking charges. I can well remember being on the Board at Oakville when we faced the traumatic thought that: My God, are we really going to charge people for parking to come and visit somebody in the hospital? Well, we did. If you go out to Oakville now, you will find that there is a three-and-a-half storey parking garage has arisen in what used to be a nice lot. And the revenue there is (a) enough to, I think, pay for the parking garage and probably offset some of the other costs in the hospital.

I know where other hospitals have gotten into a variety of clever schemes, anything from retail pharmacies, there is a shoe store in connection with a foot clinic, not exactly high style stuff, but nonetheless, a shoe store. One large teaching hospital has a shopping mall within its building. I think that is Ottawa we are talking about there.

Mr. Rudy: Yes.

Mr. Hiscock: Yes. Pizza parlours for staff, patients and visitors and a number of other ventures. We really do not think -- we mentioned these as a matter of interest and the fact that hospitals are doing what they can to raise funds. These are not really "commercialization", I do not think, in connection with the terms that this Committee is dealing with. But these revenues are generated within the hospital and used to reduce costs. They, in fact, reduce costs to the government; they do not reduce the costs of operating the hospital. They shift the load to someone else.

In addition to this, of course, we have the problem of capital fund-raising and we deal with that at the bottom of page 6. The government has recently, in 1986, announced an \$850-million first phase capital program and this was, indeed, welcomed. I think it is fair to say, however, that we estimate that something closer to 5-billion is needed over a ten-year period, Mr. Rudy?

Mr. Rudy: That is right.

Mr. Hiscock: And I do not think the government would quarrel with that estimate.

Under current legislation, as you probably know, the government may fund up to two-thirds of the cost of an approved capital project - up to five-sixths in the north - leaving the community to raise the remaining one-third. This, of course, is sometimes done by a public campaign. It is often done by the municipality in the form of bond issuing or other sources. With the growing shortfall between what is needed and funds available, hospitals, of course, are concerned that they will have to raise a greater portion and fund-raising in the public sector has, therefore, increased.

Last year in Ontario, hospitals raised close to a 100-million through on-going fund-raising programs versus 23-million in 1985. So, that is a fourfold increase. In addition, I take it, Hillary, that is operating budgets, that 100-million?

Ms. Short: That is for capital.

Mr. R. Hiscock: That is capital, okay. In addition, as we say here, 58 hospitals are currently conducting campaigns for an average of 5-million per campaign.

In summary, we are using as many strategies that we can think of to reduce costs and generate revenues through BOND. We felt that of direct relevance to your terms of reference, as we set out on page 8, are the: (i) the contracting out of management of certain defined hospital services to for-profit companies. The management of the hospitals by contract with private health care management and other special arrangements. And then we have discussed them below.

Certainly defined hospital services would include things like housekeeping and there are hospitals who have had some success, some good success with bringing in for-profit companies to provide them with special expertise in housekeeping. They bring with them computer hardware, software facilities, access to techniques which might not normally be available. Generally speaking, take it over on a fee basis. Retain the same employees and have some sort

of a participation in any surpluses that can be developed. And we believe that these kinds of things are flexible approaches that hospital management should be permitted to continue.

The famous contract with Hawkesbury is dealt with on page 9 and I will not go into the details. We have set it out there and any questions you have, we have some people who can talk about it. The Hawkesbury experiment seems be pretty positive. The Ministry of Health did a study that there certainly has been an improvement in patient care. We are not aware if they have done a cost benefit analysis. If so, as I say, we are not aware of it.

You will be familiar, of course, with the Stoddart-Labelle study. I understand that Professor Stoddart has been providing some information to the Committee. And, certainly, his 1985 paper, so far as I am concerned, is the current definitive study on the subject.

I suppose one of the criticisms of non-profit management has been voiced by Professor Evans of British Columbia, who suggests that while we in Ontario or Canada - he was talking about Canada, really - have been pretty successful in introducing new technology, we have not been particularly innovative. He said that:

"Natural experiments do not occur in a uniform public system. The Canadian financing system has tended to freeze in place organizational structures, modes of care and provision of delivery, so as to maintain higher than necessary costs of care."

I am not sure I agree with his total conclusion and there are some statistics we can look at later that may give light to that. But I think there is something in his thesis that, when you deal with total funding from an agency like the Ministry of Health, on what we call "a global budget," there is a tendency for things to be frozen in space, i.e., the global budget is subject to certain escalators in terms of inflation, new programs and growth. There is probably not as great a tendency to look back at some of the things you have been doing for some years and to question and challenge. I think that is a challenge that hospital boards are facing up to now and recognizing that if we are going to maximize our utilization of resources, we have to look hard at some things that we have been doing that we thought were good when we started them, that may or may not be essential today.

On page 11, we described another novel experiment between Extendicare, which, as you are well aware, is a private nursing home chain, to build and manage a chronic care facility at the Queensway Hospital. And that appears to us to be a very interesting and useful experiment. Mr.

Rudy has a little more information about that.

University Hospital in London has made an arrangement with the Hospital Corporation of America to tap into their rather large and substantial purchase programs, and the savings there are rather significant. HCC has contracted to use the clinical services of the hospital for its employees.

On page 13, we talk a little bit about public versus private management. When we talk about this, of course, we always tend to look south of the border. It is interesting that south of the border are looking north of the border now. I would refer you to The New England Journal of Medicine, a very august body. There were a series of articles in 1986, by a Mr. John Iglehart, who looked rather carefully at the Canadian system and I may, at some point, quote or perhaps in response to some questions, we can talk about that.

In addition, the Americans are studying their own system and have concluded, as we state in our presentation, that the ability of investor-owned or for-profit hospitals to produce profit is derived not from superior cost controls, but from maximization of patient care revenues. This is an option, of course, not available to public hospitals in Canada under our regulated system of global budgets and universal health care insurance. Even if we wanted to, we can turn no one away and we do not wish to. There is a procedure perfected under certain areas of the U.S. system, but denied us, it is the infamous "wallet biopsy" which is a procedure usually conducted in the emergency room before admission. Thank God we are saved the wallet biopsy here.

There are some other areas of competition, where hospitals find themselves in competition with privately owned and operated health facilities, and we deal with those on pages 15 through about 17. The question of free-standing treatment and diagnostic clinics. And I will just read a little bit of this: that Hospitals, as you are aware, work within a closed-ended global budget, and we have discussed that a little bit, adjusted annually in accordance with the inflation allowance and increases for growth. Physicians and other health professionals who bill OHIP directly are not limited by any global budget. They bill and operate on a fee-for-service and there is essentially no cap on the number of procedures that can be billed.

Now, this creates an incentive for physicians, and others, to establish privately-owned treatment or diagnostic facilities, such as laboratories, x-ray, ultrasound -- and I would strike here CAT scan clinics. We got carried away. CAT scan clinics, in fact, are rather carefully controlled and you should strike that. But these other ones named can, in fact, bill OHIP on a fee-for-service basis. In many

cases, these facilities are set up in close proximity to a hospital and duplicate services already available.

Now, although these privately owned facilities, including the labs, provide very good service and can be of a benefit in providing services where hospital facilities are insufficient, we believe that many of them represent an additional cost to the system.

We have recommended to the Minister that such entrepreneurial health facilities, as hospital programs are, should be approved through District Health Council before they are established to avoid uncontrolled duplication. And to that extent, we have passed a resolution at our annual convention, back in 1984. I will not bore you by reading the details, but it is there and we have continued to reiterate that to the Ministry.

Similarly, private lab services, on page 17, provide an important service. However, here again, hospitals think that we should have the opportunity to compete with private labs for outpatient laboratory service. The advantage to the taxpayer would be that the additional revenue generated by the hospital would remain in the hospital system. And here, again, we have importuned the Ministry to listen to our plea. So we conclude with our recommendations:

One, we are committed to and believe that the principle of voluntary community involvement in the functioning of the hospitals be upheld; and that the responsibility for governing and managing continue to be vested in the hospital board as currently dictated by the Public Hospitals Act.

That hospital boards be encouraged and supported in their efforts to make decisions in how to utilize and manage hospital resources in the most cost-effective way, including decisions relating to the contracting out of specific hospital services where it is deemed appropriate.

That government permit and encourage hospital boards to take innovative approaches to the delivery of care and to hospital management, including partnership with the private sector where it is consistent with the provision of high quality, cost-effective patient care.

And, that hospitals, with government support be allowed greater access to the Canadian money market for capital purposes thus reducing the need to seek such resources from the private sector.

In respect to that, I just want to quote, if I can find it here, Bob Evans, who I talked to briefly, made a point in a U.S. journal, where he was writing in support of what we consider the Canadian System. And he said, and I quote:

"Nations do not borrow other nations' institutions. The Canadian system may be better than the American, I believe it is, although, that is a very complex question - and as I have just pointed out, my view, like yours, are contaminated by my origins - even if it is better, I am not trying to sell it to you. You cannot have it. It would not fit because you do not see the world or the individual or the state as we do."

The point is that by examining others' experience, you would extend your range of perceptions of what is possible. Such learning is, of course, a two-way street. And I think we can learn from our neighbours to the south; I think they can learn from us. I thank you for your attention and we are happy to answer any questions, sir.

Mr. Chairman: Mr. Cooke?

Mr. Cooke: Thank you, Mr. Chairman.

Thank you very much for coming before the Committee. I would like to get an idea of, when hospital boards or any other public body uses the term that the private sector is "more efficient," what do they mean?

Mr. Hiscock: Most hospital boards would not use the term "more efficient." They might suggest that they can be more innovative. They sometimes have access - I don't know whether I quoted it - yes, I quoted it. As Evans says:

"Experiments don't tend to happen in a uniform government-funded system. Experiments do tend to happen in entrepreneurial systems."

So, I think sometimes we can learn from them that way. I am not sure they are necessarily more efficient, but they are sometimes more innovative.

Mr. Cooke: I have talked to a number of hospital boards that have contracted out housekeeping services and, certainly, the word that they use is that contracting out in those circumstances is "more efficient". I have certainly talked to a number of school boards, who have tried to contract out caretaking services and the term that they used to describe that is that it is "more efficient."

Basically, what I think it always boils down to - and maybe you can just tell me whether you agree or disagree with me - but "efficient" usually is a method of describing "less expensive" and "less expensive" is usually achieved by contracting out because the people that are doing those jobs are going to be paid much less money than they are when they are working in the public sector.

Mr. Hiscock: Well, I have known that to happen, Mr. Cooke. It is not liable to happen in the hospital industry because, as I mentioned to you, one thing OHA is involved with and it co-ordinates is collective bargaining on a civilized basis.

And I think that most - I should not speak for representatives of labour, let them speak for themselves - but I think the contracting-out language in most of our contracts is probably pretty favourable.

In essence, contracting out is permitted if it does not result in the lay-off of any full-time or regular part-time. If the bargaining unit's work is contracted out to an employer who is unionized and who employs all the bargaining unit employees, who would otherwise be laid off as a result. And a recent arbitration by Burkett said that that employment had to be, "under similar terms and conditions of employment."

So that in essence, I think the contracting out arrangements protect the employees' interests rather thoroughly. What you tend to get is professional management. You know, housekeeping is no longer just a bunch of guys with a couple of mops and so on. There are some pretty highly technical kinds of equipment, scheduling, materials, and so on. I am obviously getting a little out of my depth there. I will look to my colleagues.

Mr. Rudy: Well, I would just simply add that in the hospital system, based on what Mr. Hiscock has said, basically, the employees are there and they are there. There are no lay-offs. What you do get is better management and better use of the resources. And in some cases, that means better use of supplies, perhaps economization in the use of certain kinds of supplies, if you are talking about housekeeping. If you are talking about maintenance and physical plant management, better maintenance scheduling, which should reduce certain maintenance costs. Perhaps in some cases, better management of the energy resources and those kinds of management things. And these management companies can bring in the latest technologies, computerized hardware and software that makes some of that possible.

Mr. Cooke: Well, I would suggest that, and I can think of a couple of hospitals, Elgin General Hospital is one that comes to mind because I have met with the staff there recently, that there may not be lay-offs, but there have certainly been significant numbers of jobs lost through attrition. So there is job loss in the community.

I would have to look at our data book again to determine whether or not there have been any times when the work has actually been contracted out and in its entirety.

One thing I do not understand, in one part of your brief you correctly -- at least I think it is correct, because I agree with you when you refer to Hawkesbury -- suggest that it was not necessary to use AMI. The major motivation under those circumstances was access to capital and that the public hospital sector could have provided the expertise.

Now, I ask you, when it comes to management of caretaking or housekeeping services, why is it that the private sector has a monopoly on the expertise? If they have this special expertise, why couldn't that be developed in the hospital sector, the public hospital sector?

Mr. Rudy: I do not think they necessarily have all of the expertise. I believe that in individual situations hospital boards have the flexibility to decide whether it is more effective to bring in some outside management. But let me tell you that there are some hospitals who have used outside management for, let's say, food services and they have gone back to having their own management and doing their own food purchasing because it was cheaper, for example, to buy their food and grocery products through our OHA centralized purchasing system.

In the case of Hawkesbury, for example, they are still utilizing, let's say, our centralized purchasing system for supplies, food, and other things. They are still taking part in our benefit programs and they are still taking part in all of the things that we can offer the hospitals, which we think are pretty effective programs.

But sometimes, outside firms can bring in better management. And let's face it, hospitals have been under a lot of pressure to improve their productivity and that means, in fact, better use of supplies and services, but perhaps also better use of staff.

I do not think you have seen any major attrition. I think it would be very minimal, but nevertheless, in any dynamic system, you would from time to time, find jobs changed, which might, in fact, make some jobs redundant over time. And as far as I am concerned, that is good management and that is improving productivity and efficiency and effectiveness.

Mr. Cooke: Is not one of areas that we could achieve a significant amount of efficiency is through amalgamation of hospitals? I mean, in its crudest terms and as trustees, you can - or some of you are trustees, anyways - you can relate. I was discussing this in my home community recently and it is the one time that the chairmen of the hospital boards for all four hospitals agreed; they unanimously condemned my suggestion that there should be one hospital board in the City of Windsor.

Mr. Hiscock: They all like their job. It does not pay much...

Mr. Cooke: No, I know it does not pay much, but there always is, I think, and whether it is in the private sector or whether it is in the public sector, everybody likes to protect their institutions.

Mr. Hiscock: Rationalization, which is another nice way of saying that hospital "A" should concentrate on doing certain things and let hospital "B" concentrate on something else. And mergers are certainly two things that we should look at.

Personally, I think mergers can be overdone and I may be overstepping my ground here. I am not even sure of what the OHA position is on this. There used to be a theory around that once you got over about a six- or seven- or an eight-hundred bed hospital, you were beginning to get beyond a "manageable level." Obviously, there are a lot of bigger hospitals that operate pretty effectively.

Mr. Cooke: Like Toronto Hospital.

Mr. Hiscock: That is right. But there are a lot of us that would feel that merger for merger's sake is not necessarily the right way to run a hospital, that a board tends to get further and further away from a bigger organization. You have more and more layers of management underneath and they become less responsive to the needs of the community. I come from a small town, so I guess I have a bias that way.

Mr. Cooke: Yes.

Mr. Hiscock: Newmarket, which is...

Ms. Short: I think we all agree that, in theory, the merging of hospitals is a great idea. I do not think the obstacle is sort of with the hospital as an institution, but with the people who live in the community, who have strong feelings related to the hospital.

Mr. Cooke: Oh, yes. Yes.

Ms. Short: I think the barriers to be overcome, as far as mergers are concerned, are very broad and are actually rooted in the community, as well as in the hospitals. And that it will just take time to --

Mr. Cooke: I am sure the people of Guelph will back you up on that.

Mr. Hiscock: If you had not mentioned Guelph, I was

going to mention Guelph as one example where they are having one heck of a time, whereas Thunder Bay--

Ms. Short: North Bay.

Mr. Hiscock: North Bay, I am sorry. I have got my "Bays" mixed up, I had better not go back there too soon.

--have arrived at a beautiful plan amongst three or four institutions--

Mr. Rudy: It is about three.

Mr. Hiscock: Yes.

Mr. Rudy: Yes.

Mr. Hiscock: --across religious boundaries, across all sorts of boundaries, and they have come together with a plan.

Mr. Cooke: I am not sure that a government in Toronto can say to community "X" that you are going to amalgamate your four hospitals because if there is anything that will bring the four hospitals together to fight the government in Toronto it will be Toronto telling them what to do.

Mr. Hiscock: Sure.

Mr. Cooke: But, you know, perhaps financial incentives, some examples of how it can be done, and then waiting for the community to be ready for that type of thing will result in some rationalization and mergers.

Mr. Hiscock: York County and York Region have put in a joint role study and the Ministry put pressure on us to do that. We were happy to do it, so we have had approval for a joint plan, where we got together and decided what our various roles were because we are diverse and our catchment areas, terrible term, adjoin, so we are launched on a joint program.

Ms. Short: Sorry. I have just one point about the hospital's ability to contract out services has not really had much effect on the growth rate of paid jobs in the hospital sector because over the past ten years there has been a ten per cent increase from, I think, it is 108,000 to 120,000, so I mean there has not been an attrition or a diminution in the number of people employed in hospitals.

Mr. Chairman: I think Mr. Sheppard has a supplementary on that?

Mr. Sheppard: Talking about amalgamation, has anybody said anything to you about Port Hope and Cobourg.

Amalgamating? I am from the riding --

Mr. Rudy: I am personally not aware of anything, no.

Mr. Hiscock: I have not heard that myself, either.

Mr. Sheppard: Well, I have heard some people in the medical field say it would be a good thing because one is 15,000, the other one is 12,000, and they are only four miles apart.

Mr. Rudy: Yes.

Mr. Chairman: Mr. Cooke? Thank you, Mr. Sheppard.

Mr. Cooke: I want to just move on to Hawkesbury and Queensway for a couple of minutes. Just a general question first: After the AMI experience and the immediate euphoria of what had happened - and I can certainly understand a community feeling good about the fact that they got a facility that they had been trying to get for quite some time - but setting aside the capital issue.

Why is it, if this has been such a positive experience, why is it that hospitals are not jumping at the opportunity to copy what has happened in Hawkesbury? I mean, there is, I think, a lack of enthusiasm with most hospital boards to do what they did in Hawkesbury and why?

Ms. Short: The hospitals believe that the expertise is available in the hospital sector and that it was an issue of the capital funds. That it was not the management expertise that they sought, but the capital funds.

Mr. Cooke: So even in the Hawkesbury - and I have not talked to board members at Hawkesbury since this happened, but if capital had been available through the government - the Hawkesbury situation, the board would have preferred to have maintained its own control, then?

Mr. Hiscock: I cannot speak for that board, but the board still has control. They contracted with AMI and the board is still in control. But, no, I cannot speak for the board --

Mr. Cooke: Do you think a board under those circumstances has the same degree of community control as they do under the normal circumstances?

Mr. Rudy: My answer to that is, yes, I think they do. The board is still managing the hospital. They have got the contract, that's true, and there are certain terms and conditions in the contract that they have negotiated, but I believe they do have the same degree of control that they would in any other circumstances.

I would like to comment on the capital issue in Hawkesbury because I think this is important. The capital that was required in Hawkesbury was not the government's share of the capital, it was the local community's share of the capital. And they were, frankly, having problems raising their share of the capital for that new hospital. And so this provided an opportunity for them to quickly raise their share.

Now, mind you, it was a loan and that loan has to be paid back and so it would be paid back through the operations of the hospital, but that was implicit from the start. But it did inject some local capital so that the community could move ahead with that new hospital. It was the local's share, it was not the government's share.

Mr. Cooke: Has the OHA done any analysis of the Hawkesbury experience to get a more objective view of how successful this whole experiment has been? Have you done an analysis of it?

Mr. Rudy: We, personally, have not done any analysis, but you have seen that there has been an outside study done by Professor Stoddart and I believe the Ministry of Health has done its own review, as well, so we have not seen the need to do our own analysis.

Mr. Cooke: In the information that we have had in discussing this matter with Labelle is that really, much of the data that they required in order to properly analyze either the success or the degree of success of this experiment is just simply not available, and that anything they have come up with has really been quite inconclusive.

Mr. Cooke: I do not know about the Ministry's study.

Mr. Rudy: That is probably right. But then, they launched that study relatively soon after it was started, so whether, you know, five years after it started, there would be any difference or not, I could not say. My guess is that you would not conclude very much else, other than what you see there now.

Mr. Cooke: Well, am I correct in remembering the last year that they had a deficit at the Hawkesbury Hospital, shortly after that, the government came in and picked up a lot of deficits for hospitals?

Mr. Rudy: I think that --

Mr. Hiscock: Which would be '83?

Mr. Cooke: Yes.

Mr. Hiscock: '83, probably. I do not know about the specific Hawkesbury experiment, but that was a year in which that was done.

Mr. Cooke: Let us just turn briefly to the Queensway. Have you had a chance to or has OHA done any analysis of that experience?

Mr. Rudy: We, again, have not done a detailed analysis of it, but we are generally familiar with what has happened there.

Again, I think I would see it as an experiment. It was a way to move quickly in setting up an institution and it was a contract entered into by the hospital with Extendicare. Again, the capital put in was a loan and the loan is being amortized through the operations.

Mr. Cooke: But they have now bought that out, the Ministry. Is that not correct?

Mr. Chairman: That is what I understand.

Mr. Cooke: Because of the expense.

Mr. Rudy: Oh, is that right? Then you are ahead of us.

Mr. Cooke: I mean, if you remember when this was entered into, interest rates were quite high and, therefore, the per diem was based on a high interest rate, which ultimately resulted in the Ministry buying out the capital.

Mr. Hiscock: Just to comment, in my preliminary remarks I made the point that we are an association, not a regulatory and disciplinary body.

Mr. Cooke: Yes.

Mr. Hiscock: Sometimes, our members do not tell us everything and if we wish to analyze a program, we would have to be invited in, in essence.

Mr. Cooke: Oh, I am not asking these questions with the expectation --

Mr. Hiscock: No, no, I realize that. I just wanted you to understand that we sort of cannot just move in and say: Hey, we would like to take a hard look at your books. That is not the way --

Mr. Cooke: Yes. I just wondered if anything had been done?

Mr. Hiscock: Well, that is news to us.

Mr. Cooke: That is all, Mr. Chairman, thanks.

Mr. Chairman: Mr. Baetz?

Mr. Baetz: Yes. I was just wondering, we have heard of the Hawkesbury and the Queensway, not experiments, but events that have taken place or the scenarios there. Are you aware of, let us say, over the last five, six, seven years, of other hospitals in the province, who very seriously looked into the possibility of developing this kind of a "modus operandi"; in other words, contracting --

Mr. Hiscock: Go to a management --

Mr. Baetz: -- an AMI, or whatever, looked at it, studied it, and then turned away from it? Have there been cases like that and if there are, why did they do it?

Mr. Rudy: I would say that there probably have been a few cases where they have been looking at it and certainly, I would believe that the private companies are, frankly, marketing their services pretty actively. But I am not aware that they have really seriously looked at it and I could not tell you whether they have looked at really closely and then backed away or even what their reasons were. Again, that information has not come to us.

Mr. Baetz: So, right now there is not a lot of simmering and bubbling?

Mr. Hiscock: No, there is very little activity in that regard that I am aware of.

Mr. Rudy: No. I think you are right. I think there is some interest in the London University Hospital experiment. Now, that is not a management contract, that is just a contract to exchange certain kinds of services. And it permits the hospital to tap into, shall we say, the purchasing resources of a large group in the U.S. for certain kinds of high technology equipment. And I know that some of the larger hospitals are looking at that with interest. But again, I am not aware that there is a great movement towards that.

Mr. Hiscock: Yes.

Mr. Baetz: Fine, thank you.

Mr. Rudy: I think what you have to remember here, is that in Ontario we have had a history, through the OHA, of providing a lot of services to hospitals, like purchasing and like insurance, for example, and our employee benefits, our central bargaining. All of these things are services that you would normally find in a large commercial

organization because they have centralized a lot of those things. We have found a way to do that without necessarily having to go to that kind of a corporate structure. And so that immediately takes away some of the benefits of moving to a private account. We think we are providing some of those services pretty efficiently.

Mr. Hiscock: And where we are invited in, we will send a team of, an experienced CEO, a trustee, sometimes with co-operation of the Ontario Medical Association, a doctor, where a hospital is having organizational and structural problems. If they ask us in, we will go in and try to help them in that respect.

Mr. Baetz: Do you have a system whereby if a local hospital is having real trouble and they need some management consulting and so forth, could they come to you and buy that service from you or is this part of the --

Mr. Hiscock: Well, if they are members or --

Mr. Baetz: Or is this part of the membership?

Mr. Hiscock: Yes.

Mr. Rudy: There are a couple of ways they can do it. They can come to us and occasionally, if we have the resources on staff, we will assist them. If we do not --

Mr. Baetz: Free of charge?

Mr. Rudy: Not free of charge, but we will charge probably lower than what they would pay in the private sector. We have to maintain our services and costs, as well. If we do not have the resources in our own staff, we will arrange or facilitate appropriate people from another hospital to go in and help them. And again, that is an arrangement between the hospital and the other individuals. And so, we can arrive at it in a number of different ways, but the answer is we can help them one way or the other. And we do that all the time.

Mr. Baetz: We have talked earlier about contracting out for all kinds of services, cleaning services and--

Mr. Hiscock: Dietary.

Mr. Baetz: --dietary and the whole thing. Would you have any idea to what extent hospitals -- and how much it would cost to contract out for management services; in other words, management consultants? And I guess one reason I sort of ask this is because we noticed in the last few days, the City of Toronto--

Mr. Rudy: Metro, yes.

Mr. Baetz: --suddenly, you know, you see that they are spending millions in buying management services. To what extent do you think this is something that hospitals are doing?

Mr. Rudy: They are using --

Mr. Chairman: I think those were consulting services.

Mr. Baetz: Well, they are consulting, but among the consulting, there were -- well, it included management, though.

Mr. Rudy: Yes.

Mr. Baetz: I would not say they were all management, they were certainly not all management consultants.

Mr. Rudy: Hospitals hire outside consultants for several different reasons. One is to get some management expertise. You know, to come in and analyze a problem, solve it, come up with some recommendations for the board to follow. It could be in the area of finance or it could be in the area of organization or administration, but I could not tell you the degree that that happens, but I know that hospitals do hire outside consultants like that from time to time.

Another major area where hospitals would use outside consultants is when they get into a major planning and renovation program where, you know, it is facility planning. And the programming that is associated with that, very often they will use outside consultants for that.

Mr. Hiscock: They do demographic studies and role studies and so on, and they may get down to the architectural people, as well.

Mr. Baetz: Yes. I have one more question, Mr. Chairman, that has to do with funding and financing of for-profit for capital purposes, I guess, especially. And it has to do with the purity of money and it goes back to lottery money. I was the Minister responsible for lotteries for seven years and it grew during that time from --

Mr. Leluk: Look what has happened to it now?

Mr. Baetz: -- it grew from 25-million a year profit to 450-million a year. It is now no longer a small item in terms of revenue. And during our time, we established for the social service agencies, the Trillium Foundation, which gets its annual - it is a relatively small amount - 15-million a year, it gets that funding and the Foundation,

then, in turn, through its own board, makes grants to the social service agencies across the province.

Would you be offended if government were suddenly to set up a lottery foundation for hospital construction purposes? I know you are getting -- I think right now, even, you are getting it sort of on an "ad hoc" basis.

Mr. Hiscock: I, personally, do not have to think for thirty seconds. I do not think money has a memory, Mr. Baetz.

Mr. Baetz: I thought that would be your answer, but I just wanted to --

Mr. Hiscock: Having passed through the government hands, I would consider it pristine.

Mr. Baetz: Pristine, I see.

Mr. Cooke: If the government sets aside 150 or 200 million a year for capital, then, I mean, does one really believe that if some of the lottery money went to hospital construction, that the bottom line would still be any more than what they have been giving for capital? I mean, there would have to be a net increase.

Mr. Hiscock: Oh, yes. It would be to --

Mr. Cooke: I do not think that would happen.

Mr. Baetz: Well, it has been in the Trillium Foundation in the social service agencies.

Mr. Cooke: That is why minority government is good because you know more capital is going to come up before an election. And the more often the elections, the better the hospital sector does.

Mr. Baetz: They would be quite happy to --

Mr. Hiscock: Seriously, gentlemen, that is one problem and that is, I talked about BOND income. In the original concept, many hospitals felt that under the BOND program they could, in fact, establish some additional revenue which they could set aside for capital purposes to meet their care.

In retrospect, the constraints that I recognize are necessary that the government has placed on the operational funding of hospitals, has made it very difficult, if not impossible, for hospitals to set aside the kind of money they should for capital purposes. The operating budgets have simply eaten it up.

Mr. Baetz: Give with one hand and take with the other.

Mr. Hiscock: Well, to a degree. And we understand, you know, there is not a bottomless pit out there. We understand that.

Mr. Baetz: Yes. That is right, yes.

Mr. Chairman: Mr. Leluk, you had your hand up. I do not know whether it was supplementary?

Mr. Leluk: Yes, Mr. Chairman. I would like to talk about a slightly different type of service. We have been talking about contracting out certain specialized services to hospitals. In the States, it seems that there is a growing number of these smaller, I guess, you would call them "clinics" with day surgery providing those services, specialized services.

How would your association view this type of an operation here in Ontario, whereby, say, a group of physicians -- and I know of one instance where in Toronto, a couple of years ago, there were a group of physicians who wanted to build a facility not too far from here, really, and have some 30 or 40 specialists there, provide day surgery. And they claimed they could save millions of dollars to taxpayers because they would not have people coming in and waiting for two or three days for the surgery. They would be in and out the same day. All the services would be provided right then and there.

I would take it that this would be a, you know, that the management services would be available there from an outside source. How does your association view that type of operation, which I think, personally, could save taxpayers a lot of money, but they would not be truly hospital under the definition of The Hospitals Act?

Mr. Hiscock: Well, hospitals certainly are doing day surgery themselves. And there has been a notable increase in that. I am not -- I am a layman, so I am a little at sea when I think of the medical problems that are involved in doing surgery and to what degree of severity you can tackle surgery in an off-premises location, where you do not have recourse to some of the equipment that would be available in a hospital.

Mr. Chairman: I think you referred to that.

Mr. Rudy: Yes, we did. On page 15, we talk about that. And I guess our position is simply that, in too many cases there are add-on costs. There is no planning for those and they are duplicating facilities that already exist in hospitals. I believe hospitals can do most of

those things now and, in fact, hospitals have embarked upon ambulatory care, day surgery, day care programs of one kind or another.

Mr. Leluk: So you do not see a need for this type of facility?

Mr. Rudy: Let us put it this way: We see a need for more concerted efforts in moving in that direction with ambulatory care. And you could make a case for that if, in fact, it filled a need that was not there now or it was representing some new facilities that were not possible--

Mr. Hiscock: Or was in a community --

Mr. Rudy: --or was in a community where there was not any hospital.

Mr. Hiscock: Remote from a hospital where some of these things could be done as an alternative to hospitalization.

Mr. Rudy: We believe it must be planned and not just simply allowed to spring up.

Ms. Short: And we believe, also, there would be no cap on the number of procedures performed. There would be, in the hospital's view, unnecessary duplication as additional costs. It would be hard to see where this cost savings would come from and that it would probably result in more procedures being performed, rather than -- it might be more convenient for the individual.

Mr. Leluk: Well, as I say, I was interested in your views because --

Mr. Hiscock: It is a very interesting --

Mr. Leluk: The physicians who spoke to me felt that they could save considerable dollars for taxpayers. I would like to ask you one other question. Recently, I was out in British Columbia and I read with some interest in the paper there, where the Premier of the province, Mr. Vander Zalm, publicly stated that they were looking to sell their hospitals to the private sector.

Mr. Rudy: Yes.

Mr. Leluk: I know that they are having some problems out there, not unlike possibly any other province, where the health care cost budget is quite high and growing by the day. How do you view that type of situation, where private enterprise would take over public facilities, such as hospitals and, I would take it, in turn, manage these, as well? We have been talking about the private sector, I do

not want to put you on spot.

Mr. Hiscock: No, no. You have not, Mr. Leluk.

Mr. Leluk: You have talked about the private sector--

Mr. Hiscock: I am ready, I am ready.

Mr. Leluk: --being able to save some dollars through their experience and what have you.

Mr. Hiscock: I think I will send Mr. Vander Zalm a copy of this New England Journal of Medicine article that I referred you to because there is a little quote in here:

"Provincial health insurance plans must be publicly administered and operated on a non-profit basis -- he is talking about Ontario -- hence, the costs of administering health programs in Canada account for only 2.5 per cent of total health spending. This compares very favourably with the proportion spent on administration in countries with mixed public-private health care systems, e.g. 8.5 per cent in the United States."

So, you are looking at 2.5 per cent for administration here and 8.5 per cent in the mixed. I think I will send him a copy of the article.

Mr. Chairman: Mr. Johnston?

Mr. R.F. Johnston: Just two short things, if I might. First, in the general, following Mr. Cooke's question about why it is that other hospitals have not followed the AMI example. And basically, you said that they had the expertise to deal with it themselves and the whole capital question is not involved in the same way in other places.

Do you have any knowledge -- because we are going to try to get this information, at the moment I have not been able to glean it -- do you have any idea how many hospital boards around the province have been looking at the whole question of their hospital management and whether or not it should be, or it can be as effectively run through purchasers, through a private organization or maintaining their present public administration? Do you know or have any idea how many are looking at that question, at all?

Mr. Rudy: Well, I certainly do not know. And I --

Mr. Hiscock: I do not know, either. My guess would be damn few.

Mr. Rudy: That is right. I do not detect any movement in that direction at all.

Mr. Hiscock: My sense is that - and I am speaking as a board member, pure and simple - is that hospital boards feel considerably more comfortable with a capable administrator, who they have had an opportunity to select, who they feel is part of their management team and organization.

I think they have somewhat of a concern that if they contracted out to a private company, who are they going to get? They are going to get some young buck who is on a developmental path and they will have him for a year or two, and then the company will move him on to something bigger and they will be breaking in a new man. That is one thing I have heard voiced as a concern; whereas they hire a CEO and he fits and they have confidence in him.

Mr. R.F. Johnston: My next question comes down specifically to the AMI.

Mr. Hiscock: We could try to find out.

Mr. R.F. Johnston: Oh, could you?

Mr. Hiscock: Yes.

Mr. R.F. Johnston: That would be very helpful because we do not really have any idea where to go. We were going to ask the Ministry of Health if they have had any hospital boards that have actually gotten to the stage of saying: We would like to investigate this and maybe this is a budget item now for us to check out, but that would be very, very small group, one would presume. So, the larger question we --

Mr. Hiscock: Yes. We will do a quick survey of the sort of -- we have a regional set-up. We have 12 regions and we could go to the regions - Hillary could go to the regions - and see if their radars pick anything up at all.

Mr. R.F. Johnston: Well, if you could do that and then send a letter on it to the Chair, that would be great.

The second matter has to do with AMI, one of the things that I find slightly ironic about the situation, which we only learned about today, is that although they were bringing in, supposedly, all this expertise from AMI, one of chief officers they have now hired is actually from The Royal Ottawa, as I recall, who -- isn't that what we learned this morning?

Mr. Chairman: That is right.

Mr. R.F. Johnston: Who, in fact, is giving them expertise that they are purchasing, which I find kind of

ironic. But I am trying to get a handle on the capital connection here from the other side. That is, from the side of the private corporation coming in. One of questions that was raised is just how did they come up with this quite large surplus turnaround in a one-year time?

We do not really have the answers, looking at the reports at this time. You have said that you have no power to regulate, and I understand that, and you have not done major investigations and you have primarily relied on the Stoddart-Labelle report that has already been done. But is it possible that one of the means of -- and this is a small hospital, number one -- the means of making that kind of a turnaround in a one-year period without huge draconian measures, which do not seem to be in place in terms of the quality of care questions, is quite remarkable.

I am wondering if you have any information as to whether or not there is a tie-in to the \$6-million loan that was achieved by bringing in this corporation and this profit figure? Have you heard anything about this? And if not, then how would you explain how quickly they were able to make this massive \$350,000-whatever turnaround in one year?

Mr. Hiscock: I will say something without having any knowledge, based on experience--

Mr. R.F. Johnston: You sounded like a politician.

Mr. Hiscock: --with a couple of hospitals that have gone through building programs and revising facilities and so on, and that is that you almost inevitably get a new budget arrangement. In other words, when you build a new facility, you are introducing new equipment -- and I am sure they built a new facility -- so that you tend to start off on a more level playing field. And you have kind of shucked off, and I am sure somehow they shucked out some of that deficit they had, so they were able to start off on a better playing field and you usually do. And that could account for some of it.

Mr. Rudy: I would like to quote from our brief on page 9. We are quoting from Professor Stoddart's study. And I think that we have summarized it, although, it does not give you very much specific information:

"Arguments have been made that history, size, catchment area and reasons for the pre-contractual financial difficulties of the Hawkesbury Hospital are atypical, thus the impressive post-contractual performance is accordingly atypical."

Can you read between the lines, now?

Mr. R.F. Johnston: Vaguely. Is this talking about

the influx of Quebec?

Mr. Rudy: No.

Mr. R.F. Johnston: Explain that to me.

Ms. Short: They were in a particularly difficult situation, they were not typical of the usual financial difficulties that hospitals get themselves into. They were very acute administrative funding problems, weren't there?

Mr. Rudy: Yes. And I think it is fair to say that in Hawkesbury, what you now know as the Hawkesbury General Hospital, ten years ago consisted of three small institutions. And there was a series of mergers that went through there and in the process there were some savings that could have been realized, but never were. And, you know, a good manager finally pulled all that together. And I think that probably summarizes it as well as anything.

Mr. R.F. Johnston: So one of things we are doing is to write to AMI or to the board of the hospital - I am not sure which angle we decided to take on that - but to try to get them to give us a bit of a breakdown of their revenues and disbursements for this period and preceding.

Do you think from that, then, we might be able to make some determinations on your presupposition?

Mr. Rudy: I think that if you could get the information from the board, get the board to come and talk about their experience pre and post contract, I believe that would be very wise of you to let the board describe it themselves.

Mr. R.F. Johnston: A final thing: If you were in our position and you were trying to get a fix on just how effective this has been and what the reasons for its effectiveness have been, are there any other questions you would ask - if you were in our position - so that we can try to get a hold of suitable information?

That is a tough thing to throw at you off the top of your head, but it is the sort of thing we are having to deal with in terms of trying to come to grips with the whole question of its effectiveness. If you do not have them right now, if you could even, again, contact the Chair, that would be fine. I do not mean to put you on the spot right at this instant.

Mr. Rudy: Well, I am not sure we have anything right off the top of our heads, but we will give it some thought.

Mr. R.F. Johnston: Thank you. Thank you, Mr. Chairman.

Mr. Chairman: We have a mini-question from Mr. Baetz, I understand.

Mr. Baetz: Just a mini one and a frank one. I do not want to put you on the spot, but in the field of the arts and recreation and that sort of thing, and particularly there, it is often said that businessmen on the boards or businesswomen on the boards leave their business hat back at the office. And when they sit on the boards, they are awe-struck by the artists who have great ideas, but are not really very practical.

To what extent does the same thing exist in hospital boards, who get awe-struck by heart surgeons and the medical directors and everything else and say: Well, these are the guys who really know and it looks good on paper here. We have got all this management and skill on the board, but in fact --

Mr. Rudy: We will let our trustee answer that one.

Mr. Hiscock: When I first went on a hospital board, I was somewhat awe-struck by the jargon. The first thing that gets you is the jargon. They are talking over your head, around you, and so on. OHA, as a matter of fact, we do some orientation for new board members to try to get them over this hump.

Mr. R.F. Johnston: Glossary of terms.

Mr. Hiscock: Yes, that is right. Sure, there is a tendency -- and there are some hospital administrators and there are some physicians who will try to snow you that way and, you know, deliberately talk over you. I find that if you are selective about the kinds of people you get on your board, you are getting businessmen and businesswomen who are used to dealing with specialists, who have got over that hump where they used to let the computer expert baffle them by giving them a lot of guff. So they listen and they try to understand and they are usually pretty quiet for the first six months or seven months, but then you find that whatever awe they had is pretty well shed.

Mr. Baetz: It has evaporated, has it? I was just interested in that. So, the trend, really, is a positive one. In other words, the boards, in fact, are becoming more sophisticated, more --

Mr. Hiscock: I think so. I think we are getting -- we are fortunate, we are getting more and more young businessmen and women involved in the boards and I think they are bringing an awful lot of expertise, marketing, financial, you name it.

Mr. Rudy: I would agree.

Mr. Baetz: Their expertise plus the wisdom of older fellows.

Mr. Hiscock: All the gray haired guys, yes.

Mr. Baetz: Yes. That is a good combination.

Mr. Chairman: Mr. Reycraft?

Mr. Reycraft: Very briefly, Mr. Chairman.

Mr. Hiscock, I heard you say that in your opinion, very few, if any hospitals were seriously looking at private contract management?

Mr. Hiscock: At the management level, sir, yes.

Mr. Reycraft: I also heard you say earlier, I think, that companies that offered those services approached hospitals to persuade them to consider that as an option. Could you give us some indication of how seriously they are pursuing that and whether or not there has been any change in the pattern over the last few years?

Mr. Hiscock: I did make the first quote. I think it was Mr. Rudy who mentioned the second, that the boards are being approached by management firms.

Mr. Rudy: I think I used the word "marketing". Now, whether they are approaching boards directly or whether they are--

Mr. Hiscock: Sending material.

Mr. Rudy: --sending material. And how seriously the boards are thinking about it, I could not really say. But there has been an interest by several private sector firms to get involved in management, but frankly, it has not happened and --

Mr. R.F. Johnston: Who are they?

Mr. Rudy: Do you want the firms?

Mr. R.F. Johnston: Yes.

Mr. Rudy: AMI is one and Hospital Corporation of America is another. They have an office here, in Toronto.

Mr. Reycraft: Do you know if they are doing more than just mailing out information? Are they trying to get meetings with hospital boards?

Mr. Rudy: I cannot answer that specifically.

Mr. Hiscock: May I ask one last question, did they come to our convention? Did they have booths at our convention?

Mr. Rudy: Yes, they would have booths at our convention. They market in a broad way. They speak at meetings, they are invited to come to meetings occasionally to speak and --

Mr. R.F. Johnston: Can we make that part of the survey that you might do in terms of asking that question, as well: how many have been approached and in what way and by whom?

Mr. Hiscock: Our convention is -- in conjunction with it, we have probably the biggest exhibit of hospital equipment and specialists, consultants; everybody from the Bell Telephone Company and their wonderful communications. And I have a feeling that I had seen some of these people with a booth. So, sure, they are there and they were obviously discussing it with trustees. The CEO's are less than enthusiastic.

Mr. Chairman: I would just like to ask you a question. I notice in a brief that we have following this, that examples were given of contracting out management in one or more department. And examples that we are given at Peel Memorial - which is a hospital in my riding - Toronto Wellesley Hospital, and Collingwood General & Marine Hospital. And before we decide to request that these people perhaps come in, can you give us any information on what the extent of that contracting out was? Do you know?

Mr. Rudy: No. We cannot tell you that directly. We understand there was a survey made and I thought maybe that information might have been tabled earlier. But we have not seen that information ourselves.

Mr. Hiscock: Survey made by?

Mr. Rudy: Ministry? Oh, oh, by one of your consultants.

Mr. Hiscock: By your group.

Mr. Rudy: Yes, one of your groups.

Mr. Chairman: I do not recall anything about Peel Memorial that would have triggered, but I am wondering if, in addition to the information that Mr. Johnston has asked you, if you have the ability to perhaps provide us with that information, as well, so that we can determine --

Mr. Hiscock: Mr. Chairman, before I came, I did, in fact, ask staff could they tell me how many hospitals had contracted out various kinds of services. And they said, no, they did not have the information. So, we can certainly try. I am not sure we can guarantee you on short notice an exhaustive study of all 220 hospitals, but --

Ms. Short: We did not do that in preparation for this meeting because we understood that you were getting that.

Mr. Chairman: I am sorry, I am sorry. I am reminded that it is in the Interim Report, but I do not think that it identifies it because I do not remember Peel Memorial in there. Does it?

Mr. Hiscock: We are not privy to your Interim Report, so...

Mr. R.F. Johnston: Oh, it is publicly available, so we should -- Ms. Fooks is the one who did all the work on it or a lot of the work on it.

Ms. Fooks: The Ministry of Health did do a survey of all Ontario hospitals --

Mr. Hiscock: The Ministry?

Ms. Fooks: Yes. Which they did provide to the community on a hospital-by-hospital basis of what was contracted out.

Mr. Hiscock: Good.

Ms. Fooks: We have put all of that together on a service basis, which is in the Committee's Interim Report.

Mr. R.F. Johnston: And that is available if you would like to get that.

Mr. Hiscock: We would love to have it.

Ms. Fooks: Sure. I can send it to you.

Ms. Short: It was not available when --

Mr. Chairman: One other question was, in my own hospital, in my riding, they brought in a group called "Medicus" which I gather is not a true management team.

Mr. Hiscock: With consultants --

Mr. Chairman: They are consultants, I guess.

Mr. Rudy: They are a specialized consulting firm. They will introduce, for example, a staffing system in

nursing, for example, as one. They will do organization studies. I believe, they are into hospital planning, as well, but they are a management consulting firm, as I understand it.

Mr. Chairman: Yes. Well, they assisted in trying to find a new administrator.

Mr. Rudy: Yes.

Mr. Chairman: They also assisted in setting up a mission statement and reorganizing the departments and so on, and to the affect that we are now in the black, I understand, in terms of operating --

Mr. Rudy: That is what a typical management consulting firm can do.

Mr. Chairman: Yes.

Mr. Rudy: And I think the way you have described that is typical of what they would do.

Mr. Chairman: So, that is something in between the Hawkesbury experience and the true community-operated hospitals.

Mr. Rudy: Yes. That is quite different, in fact, from the Hawkesbury experience. That is just where the board has a problem and they hire outside expertise to help them solve that specific problem. They will get paid for a specific job to be done and then the consultant leaves and the board carries on.

Mr. Hiscock: For example, quality care becomes an issue and a hospital, a relatively small hospital, just does not have anybody on staff who has any expertise in quality care. So, you can tap a consultant, who will come in and train one or two of your people and get you going along the right road and then, you know, so that is done quite frequently.

Mr. Chairman: Well, we would like to thank you for the information you have provided to us. It will be been most helpful, I think--

Mr. Hiscock: Thank you. It is a pleasure.

Mr. Chairman: --in dealing with this matter in terms of the report. Thank you, again.

Mr. Rudy: Thank you.

Mr. Cooke: We will try to surprise you with the recommendations.

Mr. Hiscock: "If it ain't broke, don't fix it."

Mr. Chairman: Committee members -- hello out there. Are you with me? We have a situation that has arisen, where we have a lady in the gallery, who has indicated that she contacted the Clerk's office, I gather, or some office, we cannot determine where. And she has a matter that she wants to address this Committee about which, as near as I can determine, really does not fall within the purview of this Committee, however, she has travelled -- where have you come from, Mrs. Doble?

Mrs. Doble: Toronto.

Mr. Chairman: Toronto. Well, she indicated she had travelled some considerable distance. We have ten minutes that we had for the previous brief. I doubt there is very much that we can do, but would it be the Committee's wish to hear this lady?

Mr. Mitchell: Certainly, Mr. Chairman, just speaking for myself - I am not speaking for my other colleagues - since she has travelled here to try and get the ear of some of the Members of the Legislature and if it is a health-related matter Mr--

Mr. Cordiano: Cordiano.

Mr. Mitchell: --Cordiano, I am sorry, is here as a Member of the Committee, so...

Mr. Chairman: Ms. Hart is the Parliamentary Assistant. Members of the Committee, do we have a consensus that we can give this lady ten minutes?

Mr. R.F. Johnston: Sure.

Mr. Chairman: All right. Since I am not aware of what she is going to say or the nature of it, and to protect her from perhaps saying anything unwise, I think, it might be wise that we hear her, at least, initially in camera to determine what she is --

Mr. R.F. Johnston: Why?

Mr. Chairman: Well, I would not want her to come forward and --

Mr. R.F. Johnston: Well, why do you not invite her up, sit down, explain how things work. And then she can decide what she wants to say to us or not to say to us.

Mr. Chairman: All right. Would you like to come up, Mrs. Doble? Is it Doble? Well, you will have to sit down

first and if you would identify yourself for Hansard.

Mrs. Doble: I am the widow of James Henry Doble. I am 72 years of age. On the 26th of October, my husband was admitted to Toronto General Hospital. It was discovered that he had -- he was admitted at four minutes to one and I was notified at twenty after four and I cannot understand why that happened.

Also, it was discovered that he had a second lumbar fractured vertebra and I cannot understand why he was released and sent home to me. My husband was a big man, he was a healthy man. His heart was good, everything was fine, and how they ever expected me to look after him by myself, I will never understand. However, he was sent home to me.

From then on, I got nurses' aides and VONs to look after him and, of course, he was getting thinner all the time. And I finally got my family doctor and he suggested that he should go to St. John's Convalescent, which he did.

From that time on, I made seven ambulance trips between St. John's Hospital and Toronto General, and none of these times, even though it says so in this report from St. John's, that he was to be admitted, I was told by a doctor on one of these trips that he was admitted, and in no time was he admitted. Finally, Dr. Baimel of St. John's called me and told me to get down the hospital, that he was a very sick man.

Now, it also says in this report that there was notice of bloating, which was noticed at the very beginning and on the ambulance trips. He was never looked after as to what was causing this, what it was all about. Nobody came to look after him.

At the very end, I stayed with him until six-thirty in the morning and then I threatened to sue the hospital if they did not take him in. The next morning, he was admitted. They finally found a room. All of a sudden, they found a room for him. And the next night -- the next morning, I should say, he was in Intensive Care and eventually he died.

Now, there was a Dr. Scott and Dr. Smalley, who gave him the best of care in the world. I have nothing against them, at all. Dr. Singer, in Intensive Care, I was there until six-thirty, until they finally told me that he would be all right. They phoned me at ten after two or something and told me that -- he said, "I don't think your husband is going to make it, you had better get down here." I got down there, he stabilized and he kept him there, and then he got him out of Intensive Care. After that, he went upstairs to Dr. Scott, who looked after him.

Now, I tried to contact people. I asked for my husband's chart, they told me it would cost me \$230 to get the chart; but if I went down to the hospital, I could see it for nothing. This, I did not do; I did not bother with them. I got the one from St. John's.

Now, there was a catheter placed into him at St. John's and I think this is where he developed this kidney infection. But my beef is not with the hospital, itself, as such, but with the Emergency Room where they never even looked at him. They never came over to him and anybody with half an eye could see that he was so bloated he could not do anything. He could not eat, he could not drink, he could not do anything. Finally -- and then this catheter did not help too much. And I think that something should be done.

Whoever is going to be in charge of Toronto General Hospital or any hospital in this city, whoever is in charge, should make very sure that they have not got such snippy nurses as I got down there. And the night that he was admitted, I waited until six-thirty in the morning and I said to this nurse, I said, "When do you expect my husband to be admitted?" "Oh," she says, "we are not going to admit him. We are sending him back to St. John's." After Dr. Baimel told me that she could not accept him, he was too sick a man. And eventually, he died.

Now, something has got to be done. They have got everything for a dome stadium, from hotels, aquariums, and every god-darned thing you want, but they never had anything to look after the poor sick guy that was brought in there. Had he been given the proper treatment at the proper time and had a doctor been there, he would have been all right.

Mr. Chairman: Mrs. Doble, you have our sympathies and --

Mrs. Doble: Sympathy is not going to help. I am not up fighting for myself, now, he is dead. I am talking about other people, that the same damned thing could happen --

Mr. Chairman: Just give me a chance to go a little further. The Parliamentary Assistant of the Minister of Health is here on this Committee. She has heard what you have to say and I understand that she will look into the matter for you.

This Committee really is dealing with human services for profit or not for profit. The Committee is not dealing with a specific case that you state, but it is certainly one that we, as legislators, wanted to hear and we have heard it and the matter will be looked into by the Parliamentary Assistant. And she will get back to you, if you will give her your name and address.

Mrs. Doble: I will do that.

Mr. Chairman: All right.

Mrs. Doble: If this does not do, I will go public.

Mr. Chairman: I think you have already gone public,
Mrs. Doble.

Mrs. Doble: No. I am talking about the newspapers, sir, because something has got to be done about this. This is absolutely terrible. It was not a busy night. There was a fellow who came in, he had a sore thumb and away he went.

Mr. Chairman: I wonder if you would give us your name and address on the record. You have given us your name, can you give us your address on the record, as well, or would you prefer to give it privately to the Parliamentary --

Mrs. Doble: No, it does not matter. I live at 95 La Rose Avenue, Apartment 508.

Mr. R.F. Johnston: Toronto? City of Toronto?

Mrs. Doble: Actually, it is Etobicoke.

Mr. Chairman: Etobicoke.

Mrs. Doble: It is just west --

Mr. Cordiano: It is off Royal York Road --

Mrs. Doble: Yes, that is right.

Mr. Chairman: Thank you very much and, as I say,
we --

Mrs. Doble: And I also think that some of these nurses could pay a little more attention, instead of being busy with their social life.

Mr. Chairman: Well, thank you very much, Mrs. Doble. We appreciate you coming before us.

Mrs. Doble: And I would certainly like to find out how he got home and what they expected me to do with a man with a fractured vertebra.

Mr. Chairman: The Parliamentary Assistant, as I say, has the information. It has been recorded in Hansard and she will look into the matter and get back to you. Perhaps you could give her privately your telephone number, just in case it is something that she requires more information from you. And thank you very much for coming before us.

Mrs. Doble: Thank you very much.

Mr. Chairman: The next delegation that we have scheduled is the Ontario Federation of Labour; John O'Grady, John O'Grady, Sean Usher, John Van Beek, Terry O'Connor and Stu Sullivan. Perhaps one of you gentlemen could go around and sit at either end, at either of these seats that are vacant, since we need to get you on to a microphone if you are going to speak.

Mr. R.F. Johnston: If Terry has to speak, he can get in a little closer at the end. He projects well.

Mr. Chairman: Okay. We would just ask you, as I am sure you are aware, from previous attendances before legislative committees, we have to record you for Hansard and we would like you to speak into the microphone. And if one of you is going to answer a question or say something and you are away from a microphone, certainly, if you can get close to one.

We have a brief and I do not know how you intend to proceed. If you have an opening statement, fine. If you intend to briefly tell us about the brief or read the entire brief, that is fine. If you could identify the people for the record.

Mr. Sullivan: First of all, I just wanted to express on behalf of the Ontario Federation of Labour our appreciation for this opportunity to meet with the Select Committee.

My name is Stu Sullivan. I am a Vice President of the Ontario Federation of Labour and the Ontario Co-ordinator of the the Energy and Chemical Workers Union of Canada.

Joining me in this presentation, as you are aware, is Terry O'Connor, Secretary-Treasurer of Canadian Union of Public Employees, Ontario Division; John Van Beek on my left, who is the Director of Public Relations and Publications Service Employees International Union Local 204; Sean Usher, odd man out, Director of Special Operations, Ontario Public Service Employees Union; and on my immediate right is John O'Grady, Legislative Director, Ontario Federation of Labour.

If I may, to start off with, I will be doing an overview and there will be insertions by three of the persons who are with me. Before I begin, I think it may be useful to indicate why the Federation is making this submission to you. We are deeply concerned that changes in the management of our hospitals is the first step down the path of replacing genuine medicare with a two-tiered system. I have spent my entire working life with workers in the private sector. The majority of the Federation's membership

is drawn from the private sector.

I am here today on behalf of the Federation in order to emphasize to the Members of the Select Committee that we in the Trade Union movement do not consider issues to be of interest and concern only to workers in the public sector whose members are affected first by these changes. The Trade Union movement was in the forefront of the struggle to bring medicare to this country. Anything that threatens that achievement threatens us as well. Let me turn now to our submission.

As Members of the Select Committee are well aware, some few years ago, the Hawkesbury and District General Hospital brought in the American multinational American Medical International to take over its administration. The rhetoric surrounding this move dwelt on the supposed increases in technical efficiency that would come about as a result of using private sector expertise. There is an important difference between a hospital which simply recruits managers who have private sector experience and a hospital that turns over its management to a private sector corporation.

The first practice is one that occurs every day. It is sensible and pragmatic. The second practice has effects that are quite different altogether.

As Members of the Select Committee are aware, many hospitals in the United States are privately owned and run as a profit or on a profit-oriented basis. Health care in the United States is a business. About five per cent of the hospitals are now run by chains like American Medical International. These chains have been remarkably profitable. The question is: Where do these profits come from? Do chains like American Medical International pursue a managerial strategy of increasing technical efficiency or a commercial strategy aimed at maximizing revenue?

There have been a number of studies done in the United States examining this question. We have cited the most important of these in our submission. The conclusions of these studies are unequivocal. Let me quote a few passages. One study by J.E. Kralewski and three other scholars said, and I quote:

"The most disappointing finding, in our view, is that contract management does not appear to improve a hospital's productive efficiency. This implies that management firms are unlikely to generate societal benefits."

Another study by William Shonick and Ruth Roemer found, and again I quote:

"We could find no evidence that costs per unit of service were reduced or sharply contained. This was independently confirmed in the report to us from our consulting accounting firm."

And finally, a third study by Robert Pattison and H.M. Katz, found that:

"Total operating expenses per patient-day were about six per cent higher for the investor-owned chain hospitals."

Clearly, the profits from these privately managed hospitals do not come from their much vaulted technical efficiencies. The studies all found that profits stemmed from a commercial strategy. The mix of medical procedures and services was described with a bias towards all services and procedures that had a higher profit margin. In turn, the privately managed hospitals specialized in middle-class patients, who had the private insurance necessary to pay for such services.

It should come as no surprise that the U.S. Institute of Medicine found that insurance plan members who were treated at privately managed hospitals had expenses 24 per cent higher than plan members who went to public hospitals. The American experience shows clearly that the profits of privately managed hospitals stems from the revenue-increasing commercial strategy and not from any cost-saving magic wands. When you bring American Medical International to Canada, you are bringing its commercial strategy into our medicare system; you are not bringing in any managerial magic.

I know what the private sector is about. I have worked there all my life. The expertise which develops in that sector can and should be hired by the public sector. But the values of the private sector - profit maximization - have no place in the health care system.

The only way that revenues can be maximized in the hospital sector is if a two-tiered system is brought in to replace medicare. In the bottom tier, we have the unprofitable basic care; in the higher tier, we have the profitable high-quality care, which is offered on a charge basis. The companies like American Medical International or even our home-grown Extendicare will become a formidable lobby for restructuring our health care system along two-tier lines. That is what we in the labour movement want to stop.

Take a look at two of the more celebrated examples of contracting out hospital management; AMI at Hawkesbury and Extendicare at Queensway. The main reason that AMI was allowed to take over the Hawkesbury General was that they

promised to guarantee a loan for \$6-million. The main reason that Extendicare was given a 20-year contract to build and manage a chronic care wing at Queensway was that they offered to supply the capital.

For far too long, the previous government followed a policy of deliberately starving our hospitals of capital funds. The governments left the hospitals with no alternative except to turn to private corporations. It was part of the former government's hidden agenda to privatize our health care system and move down the path of a two-tier system. The question we are asking is whether the new government is any different.

At this point, I want to call on Terry O'Connor of the Canadian Union of Public Employees to comment in more detail on the situation at the Hawkesbury Hospital. Terry?

Mr. O'Connor: Thank you, Stu.

One burning example that we have in CUPE is the contracting out of the entire managerial function at the Hawkesbury General Hospital. The decision to do this was supposedly based on the economies of scale and private sector expertise that was going to generate great savings. But in fact, when you take a look at it, it was really the access to capital that was the decisive factor in that.

This hospital is a 96-bed operation, had two locations because they had absorbed a formerly private Smith Clinic. And they were committed to a building program that was going to cost \$18-million. The province was going to provide \$12-million and there had to be \$6-million raised in the community. Well, at that time, the CIP Paper Mill closed down in December, 1982, and there was no way that the community could raise \$6-million at that time. So AMI came forward, offered to guarantee the loan as part of the deal. They were going to arrange it through the Bank of Montreal at prime rate plus a half a per cent. They had appointed the Bank of Montreal as one of their international banks.

Now, The Ottawa General Hospital had also bid on the contracting of the management of the hospital, but they could not raise the money. They could not guarantee or come up with the \$6-million loan. They had, in fact, approached the province to guarantee the loan and the province said, "No," even though the province had, in other cases, guaranteed such loans.

So, anyhow, what they did was they are supposed to have made a great turnaround. There was a lot of acclaim for how this bold experiment had turned around the fiscal position of the hospital. Two years after they had taken over the administration, instead of a deficit of \$350,000, they had a surplus of \$400,000 as a result of their superior

management.

Well, that sounds good, but when you take a look at those figures, the figures do not really bear up under the scrutiny. For instance, the \$350,000 deficit that they eliminated, a large part of that deficit was eliminated because they got a \$345,000 grant to eliminate that deficit from the Ministry of Health. And then, the \$400,000 surplus that was generated, approximately \$78,000 of that surplus came from not paying the interest on the deficit. And then another \$7,000 of that surplus came from the fact that they got interest by having a positive cash flow. Another half of the surplus, \$200,000 came from recruiting patients on the Quebec side of the border and sending the bills to the Government of Quebec. So, the only place that they could really say that management had done anything was in the reduction of staff, payroll reductions. And that is really not what you could call economies of scale.

The economies of scale, supposedly, would be two; one in purchasing, the bulk purchasing. But if AMI is going to be doing bulk purchasing, it is going to be in the United States. What about Ontario trying to develop a high-tech medical supply industry if AMI is going to be doing their purchasing in the States? And then, what about the Ontario Hospital Association trying to develop bulk purchasing and the savings that that would come to the health care system.

Just two or three points to summarize. We have written it up in detail in the brief but, in summary, the deficit that AMI claimed to have eliminated was, in fact, eliminated by a grant from the Provincial Government. The surplus of 400,000 that they generated, half of it came from recruiting patients in Quebec. The human resources management just recently has been given to the Ottawa General Hospital, strangely enough. The Ottawa General Hospital that did not get the bid to do the management of it. And I have got in my hands a letter that the president of our local union there sent to the rep just as recently as the 8th of April, commenting on this. And I am just going to quote a little bit from it:

"Recently, the hospital management has contracted out its human resources position to The Ottawa General Hospital. A consultant in labour relations is on the Hawkesbury General Hospital site only one day a week. We have great difficulties, as it poses delays for grievance handling, et cetera. It certainly doesn't better Union Management relations. The Hawkesbury General Hospital has also decided to eliminate, as of April the 4th, the weekend housekeeping position on nights. They have also cut back in dietary services. They have cut back part-time hours, created two-and-a-half hour positions, created split shifts. In addition, contracted out services to The Ottawa

Central Food Services. Also replacing vacant RNA positions with RNs. The public is led to believe that hospital management under AMI is great, when actually morale is at an all-time low and patient services is suffering."

I think that testimony from the President of the Local Union pretty well sums up the fact that, for all the public acclaim that this experiment is supposed to have achieved, in fact, it has done nothing to achieve better relations, better services to the community. And, in fact, done nothing in terms of saving money, except generating some profit for AMI.

Mr. Sullivan: Thank you, Terry.

You can see in the case of the Hawkesbury, the entire administration was handed over. Another type of arrangement is one in which only a few departments were handed over, there are many examples of this. The case of Collingwood General and Marine is probably typical. And I am going to ask John Van Beek of the Service Employees International Union to describe that case.

Mr. Van Beek: Thanks, Stu.

We have only listed two examples, and that is Collingwood and Wellesley as places where specific hospital departments have been contracted out. There are numerous other examples that we could list. The St. Thomas, Elgin General Hospital, for one, in southwestern Ontario. Just recently, the Service Master people have gone through Metropolitan Hospital of Windsor to look at the feasibility of possibly submitting a bid for the housekeeping department there. But basically, what it means is because two arbitration awards under Kruger, both CUPE and SEIU got strengthened contracting-out language. That means that they could no longer contract out the jobs.

In subsequent arbitration awards, we have been able to strengthen that contracting-out language. So what the industry is now doing is that they are contracting out at the department level. Contracting out the management functions to people, such as Service Master; and if I may be very derogatory, it is basically the Amway of the hospital industry, if I may.

What they then do, they rearrange the departments and institute the staff cuts and cut payroll levels. And if you will see at Section 5 of the brief, you can see where the staff cuts come. Specifically, in Collingwood, nine full-time staff persons were let go. When we talked to the hospital prior to Service Master receiving the contract for the housekeeping department, we were assured -- we were given assurances that this would not be the case. Once the

Service Master contract was signed, sealed and delivered, definitely nine full-time people were cut.

At the same time, the Collingwood Shipyards shut down. It had a devastating effect on the community. You may well say nine hospital jobs are not very much, but it certainly had a tremendous economic impact in the community. Because if you take a look at the figures that we quote you, you will see that basically, of the gross savings that theoretically Service Master said it could save, it is not at all true. And basically, almost \$600,000 is flowing out the community to Service Master, to where? To the United States, so that they can bid on more hospital contracts in that for-profit system there? I suppose that is what happens.

If you take a look at nine full-time jobs and average them in an industry that is not very high-paying. Nine full-time jobs that, let us say, take wages and benefits, at \$25,000 a year, times five, for five years that the contract runs, you can sort of get a feeling that that is over a million dollars very quickly. A million dollars' worth of economic activity moving out of Collingwood, simply by this happening. Tremendous economic impact on the community.

At the Toronto-Wellesley, again, Service Master contracted out and 47 part-time people lost their jobs. Again, not necessarily, you may say, significant in terms of people loss, but it is a way of getting around the fact that they cannot contract out the jobs of workers, so again contract out the department. And because it is a new employer, they can rearrange the workplace.

What has basically happened under the system of Service Master, the work has been speeded up, the grievances, where before we would have, of course, grievances -- in any industrial setting you will have grievances, even in the service industry, you will have grievances -- it came up to at least one a day. And it is basically harassment in terms of work-related speed-up.

Service Master in its contracts, and we can give you a specific contract that we had when it made its submission to the Collingwood General and Marine Hospital, they also put in such kickers as, hey, look, we have got all these other programs. We will let the employees attend prayer services prior to their shifts. We will even arrange programs for your patients, you know, around Christmas-time, for example, we will do things like "The Real Meaning of Christmas Programs."

That is an insult. That is an insult to the intelligence of the people that use the hospital services and it is an insult to the people that work there. Surely, the Ontario Government should not allow any type of those

programs entering the public hospital system and I think it is certainly an insult and it is abhorrent to any type of labour standards that this province adheres to.

The big problem is once Service Master contracts in it is almost impossible to get rid of them. And when I say it is the Amway -- it is almost the Amway of the hospital industry, I mean that sincerely because their pyramiding scheme is very unique. Sign long-term contracts. They generally sign five-year contracts or longer. It means that the hospital has to buy all of the Service Master cleaning products. Service Master supplies the cleaning equipment, so after a five-year period, if the hospital decided to take back the function and manage it itself, it could not do so because the capital start-up costs would be significant because their equipment, of course, has become redundant. It has been five years out of date, I do not know, possibly sold off, possibly collecting rust in the basement somewhere; nevertheless, that equipment has to be replaced. And so that becomes another cost factor.

If you take a look at it from a straight economic view, once you get hooked into the system, it is fairly simple to say: Hey, look, now we cannot justify going back. Whereas there is little justification for giving them the contract in the first place, once they are there it is almost impossible to justify taking it back because it is going to mean additional capital cost for the institution. I just want to conclude on that note and I think, from the brief, you get a sense of where it is at.

Mr. Sullivan: Thank you, John.

In the written submission that we have circulated, we have analyzed in some detail both Hawkesbury's and Collingwood's situation. We have also reviewed the literature on the American experience with profit-oriented hospital chains. I want to urge the Members of this Committee to take the time to review that documentation. Before proceeding to a discussion, I want to ask Sean Usher of the Ontario Public Service Employees Union to summarize the essential points of our submission to you today. Sean?

Mr. Usher: Thanks, Stu.

The conclusions we have reached imply four principles for formulating an alternative to the contracting out of management functions.

The first, is acceptance of the 1974 decision to abandon the cheap labour regime. Hospital workers should not be expected to subsidize the province's health care system with low wages and substandard benefits. And any attempts to evade arbitrated wage and benefit awards by turning to part-time workers or contracting out of work

should be halted.

The second principle that should be recognized is that the policy of deliberately starving the hospital sector of capital funds has adverse consequences and drives the hospitals into socially counter-productive collaboration with foreign management corporations. If financial shortage is the case, then the province might turn to pension funds as a source of negotiated capital.

The same unions which are presenting this submission, earlier proposed to the Rowan Task Force on Public Sector Pension Investment that the province establish vehicles that would enable jointly trustee pension funds in the public sector to responsibly undertake social investment.

The third principle, that should be the basis for an alternative approach, is strengthening the capacity of Ontario's hospitals to help themselves. There already exists within the system the expertise and the commitment to achieve greater technical efficiencies. Self-reliance is, in any case, always a superior basis for development than dependence on external and especially foreign sources.

Hospitals that are acknowledged as leaders should be encouraged to undertake the consulting functions or even management services where these are required for others. Moreover, there should be a clear commitment to strengthen the Ontario Hospital Association's efforts to institute effective bulk purchasing.

Finally, the government should recognize that bringing AMI into Hawkesbury and Extendicare into Queensway were major blunders that weakened the integrity of the province's health care system. These initiatives sent signals to these and other private corporations that Ontario's health care system is for sale. So, it is vitally important that the province move to rescind the Hawkesbury and Queensway deals.

As well, the province must insist that managerial functions at the department level remain an integral part of the overall hospital administration. And the contracting out of management at the departmental level should be prohibited.

We here in Canada have built a system of health care that is universally acknowledged to be superior to the American system. The superiority of this system does not lay in our greater technical skill or in our access to more resources, but in the principles upon which our system was built.

The achievement of medicare was not applauded by everybody in this country. Some, particularly those representing the vested interest that profited from the old

system, have always sought to return to a pre-medicare regime. Their agenda is a two-tiering of the system. That reversion gathers momentum every time a private hospital management corporation butts into our hospital system. So we urge the members of the Select Committee to adopt recommendations that will bring an immediate halt to the erosion of medicare.

Mr. Chairman: Thank you, Mr. Usher.

I should caution, we had one name on the list, Mr. John O'Grady and we find that the numbers have grown, and we are under a time schedule for hearing delegations. And we want to give the Members an opportunity to ask questions and I am going to ask the Committee's assistance in terms of the questions being related, one for each party, so that we have the opportunity to get those questions forward. Am I presumptuous in that the brief has been given in full and that you are ready to receive questions from the Members?

Mr. O'Connor: Yes. My last line was to thank you and we will be pleased to respond to any questions.

Mr. Chairman: Mr. Leluk first, and I do not have any other -- Mr. Leluk and Mr. Cooke.

Mr. Leluk: Mr. Chairman, I would like to ask Mr. Sullivan to clarify something that you said during your remarks to the Committee.

You were talking about the two-tiered system of health care. I think you mentioned the basic unprofitable level of care provided through medicare and then the higher standard of care available on a charge basis. I did not quite catch your other remarks. Were you advocating a two-tier system for Ontario? I did not quite understand what it was you were saying there.

Mr. Sullivan: No. But I do want to give John an opportunity seeing he was listed as the only one, and maybe John would like to --

Mr. O'Grady: No, far from it. The Ontario Federation of Labour would be very strongly opposed to any moment to bring about a two-tiered system of health care in Ontario. And the essence of our concern about the contracting out of management functions is that it should not be confused with merely hiring a management consultant to give you advice or recruiting a manager from the private sector to come in and work for you on a normal paid basis. Hiring a corporation to do your management for you insinuates another institutional bias into the health care system because the profitability of these corporations does not stem from any technical efficiency that they introduce into the management of hospitals, it stems from a commercial strategy which they

introduced into health care. So when you bring corporations like AMI in, you unleash, as it were, a new bias in the system. You bring into being a lobby which will build up pressure in the system to go down the two-tier path. And that is precisely what we want to stop in its insipience.

Mr. Leluk: If I may, for example, in Britain where we have state-controlled medicine, you have a double-tier system there. We know that the one system is overly taxed in that the number of patients who have to see physicians are not getting the quality of service. Mr. Sullivan, you mentioned in your remarks about two-tiering requires depressing the standards of care at the basic level.

And I want to ask you this question: It is a known fact, for example, that some unions in Britain have paid the additional monies to get the higher quantity of care; what do you say about that? And that is a known fact.

Mr. Sullivan: Well, I am not that familiar with the British system, but listening to a couple of the accents on the Committee they may have more to say on it.

I think the basic problem is that they have allowed their universal coverage system to slip. They have had a number of conservative governments over there and have discouraged universal medical care. As a result, in an effort to do something to provide services to their members, they have been forced to enter into a private insurance-type carrier. And that is something we are opposed to. We are opposed to being forced into that kind of a system.

Mr. Chairman: We will go to Mr. Cooke first. Mr. Cooke?

Mr. Cooke: I do not have a lot of questions, Mr. Chairman. I appreciate the brief. It is quite detailed.

We are going to be approaching Hawkesbury and AMI because we found that the material that is available does not give us the full picture. And, if anything, if we are to properly analyze the AMI experience and the Queensway experience, rather than leaving it to magazines and newspapers - all of them have said this is a great experience - we want to try to dispel that or prove it, whichever ends up happening after we have got the facts.

I am wondering if there is anything else, other than what you have presented here, that you think we should be going after in order to properly look at the AMI experience?

Mr. O'Grady: I wonder if I could merely offer one note of the caution in dealing with the Hawkesbury and Queensway experience. Certainly, the commercial view of both Extendicare and AMI is that they see a long-run future

to the kind of contracted management. And in that sense, they undoubtedly regard Hawkesbury and Queensway, as it were, as lost leaders.

So, I am not at all certain that you are going to find in those situations evidence which is decisive one way or another for a policy determination. I think the question you will have to ask yourself - and this will come out, I think, when you discuss values with them, the philosophy - is what institutional biases does a corporation interject into the health care system? And I emphasize "a corporation" because the distinction is between hiring a corporation to manage and simply using management consultants or recruiting a manager with private sector experience.

Mr. Sullivan: I think there is another point, that you have the research facilities and I think it would be worthwhile you checking out each hospital management company, is the subsidiaries that they own. And I know in an organizing project I happened to come across the AMI as the owner of a particular company that we were attempting to organize, who were in the health care field or in the drugs and supplies field. So, I would think that there is a potential there for the private sector moving in for double edged profits. One, from the management, and if you are going to manage the company, and then you turn around and you buy off the supplier that you already own. It is not a bad deal.

Mr. Cooke: Yes.

Mr. Sullivan: Now, I think that one would be worth exploring, as I said, putting in your research facility... The other thing that we are concerned about - and I am sure you all recall, when was it, about a year or two ago with the artificial heart in the States, and the hospital advertising that they were doing this free. That this was going to cost -- normally, the bill would be about \$200,000 or whatever. But the purpose of them putting in the artificial heart was to publicize the management of that particular hospital in an effort to generate business. And that is public, on public record. It was on a newscast. They made no bones about it. They were putting the artificial heart in for that purpose.

I would hate like heck to see the day come when you would walk by a hospital, you know, and this week we have got a special: get a heart and we will throw a lung in for 99 cents or something. And that is the kind of marketing strategy they are using. I would hate to ever see the day that kind of medical services entered into this country or province.

Mr. Cooke: You would not have any figures on the

kinds of profits that are built into contracts with places like Service Master and then, of course, the additional negative effect of that money going out of the health care system also means, in many cases, it goes out of our country, as well. So, it has other economic impacts on our province, aside from effects on the health care system.

Mr. O'Grady: The only data that we have is actually American data and so there may be some question as to how comparable the situations would be. The American data would indicate that the profits of the major corporations involved in managing hospitals are around four to six per cent of what they would call "total sales", which we would simply call "the hospital budget."

So, it is about a four to six per cent drain on the health care allocation. You might, actually, if you were to compare sectors, the chain stores in the retail food industry would be making probably less than one per cent on turnover; so four to six per cent on sales volume, in fact, is an extremely healthy siphoning off of profits.

Mr. Cooke: It certainly would be a step down from the profits they can making in the nursing home sector, though.

One final question: One of the effects - I do not know how you measure it - but I know when I met with the employees at the Elgin General and I have met with employees at other facilities where certain department managements have been contracted out, there is a definite effect on morale. And there is no doubt, at all, in my mind, anyway, that if morale is negatively affected, then that has an effect on the quality of service that is provided in the institution.

I am just wondering what the general experience has been? I know it cannot be quantified, but --

Mr. Van Beek: Let me give you an example. Collingwood, I believe, all of a sudden, in the weekly newspapers and on the radio stations, with no urging from the Union - we were totally unaware of it - all of a sudden, just a rash of letters and telephone calls last September, about six months after Service Master had gone into the hospital.

The fact was that there is no cleaning person on the night shift. Soiled laundry thrown into a service room that had been sitting there for days, simply because they did not have the staff. What the staff was complaining about was that they did not have enough time to do the work, there were not enough staff. But what they were particularly concerned about is how that looked to the community. That they were ultimately on the front line, saying: Hey, look, this is not the service we provide. It is the only choice we have because of the way the housekeeping department is

now managed. And what they are worried about is a reflection on their hospital, not just on their own morale, but in community standards and the image that the hospital has out in the community.

The sad fact is, also, people are not willing to give to hospital drives, if they are going to contract out - particularly people with labour views that we have here, that we represent - are not willing to give to hospital drives if, indeed, they are going to treat their employees shabbily.

I think unions significantly contribute and significantly push to support hospitals because that is in the interest of all of us. Those funds are not forthcoming from the labour community in Collingwood any more. Those funds are not forthcoming from the community in St. Thomas. Those funds are not forthcoming from the Brampton area for the Peel Hospital.

So, it has a negative impact all the way down the line in terms of morale, yes. And I suppose we are caught in a pincer, saying, "Here, we want better hospital services," and we are saying to our members at the same time, "Do not contribute," because of the totally anti-labour attitude that exists at that hospital. If they are really intent on saving money, then, I guess they really do not want ours, if they are going to treat us that way.

Mr. Chairman: You said, the "Peel Hospital." What services are contracted out there, besides the --

Mr. Van Beek: Service Master does have a contract in, I believe, the housekeeping department there, also, at Peel.

Mr. Chairman: When did that take place?

Mr. Van Beek: About three or four years ago.

Mr. Chairman: I was on the board and I do not recollect that. I am interested because we noticed in your brief you talked about the Peel Hospital and I wanted to know what areas they had contracted out.

Mr. Van Beek: I will send you the specific, but definitely, there is a department that is contracted out at Peel, okay?

Mr. Chairman: I think that is it. I am sorry, Mr. Baetz?

Mr. Baetz: Yes. I guess we are talking essentially here, if I understood you correctly, we need two different kinds of contracts. One is where a hospital, i.e., Hawkesbury, simply does a contract with AMI to run the

place, to manage it, to operate it under the direction of the board. And the other contracting out is the kind of thing you mentioned Service Master and so on.

I get the impression from what you say and I guess also the tone of the way you say it, that you are really quite concerned. That we could anticipate a trend in more and more hospitals doing what Hawkesbury did. That there is a real concern on your part this could happen.

We, of course, have an interest in that very thing ourselves, but earlier this afternoon, the Ontario Hospital Association had a delegation here and I asked them that question. I said, "Is there stuff going on out there? Is there a lot of simmering? Are there a lot of hospitals in the province, as far as you know, who are now seriously thinking about engaging a professional organization like AMI to run their hospital for them?"

And the answer that we got - which seems to differ from what I sense is your feeling - the answer we got from the Ontario Hospital Association is that, indeed, there is virtually nothing going on. That, in fact, it happened in Hawkesbury for a very specific local reasons. The jury is still out on whether it is a good thing or a bad thing for the community. It depends on who you talk to.

But the important thing for the consideration of this Committee here was, you know, are we on the threshold of a very substantial movement or trend right across the province. Not all hospitals, obviously, but a trend to, in fact, contract out ala AMI? Now, maybe you have information that OHA does not have and that we do not have.

Mr. O'Grady: I think I would respond to your query in the following way: First of all, the Ontario Hospital Association has expressed a number of reservations about the AMI type of contracting. It is not a course which they encourage their affiliated hospitals to undertake. They apparently do not denounce them when they do, but they certainly do not encourage it.

Mr. Baetz: Yes. We sensed that, yes.

Mr. O'Grady: I would, therefore, not expect the OHA to come before a Parliamentary Committee and to declare that this was the up-and-coming fashion. That would be seen to be giving some weight and some credence to moves in that direction.

Mr. Chairman: Sir, are you saying that they are not being candid with us? Is that what you are saying?

Mr. O'Grady: I would not expect them to be telling you that it is an emerging trend. That would be undermining

their own institutional interests to do so.

Mr. Chairman: But they went further than that. Go ahead, Mr. Baetz.

Mr. Baetz: Well, just following the Chairman's comment there, I got the impression here that the Ontario Hospital Association did not have a secret agenda when they were saying to us, "We do not think there is a trend out there." I do not know how the rest of my colleagues feel about this, but I would have guessed maybe the opposite would have been true. If they had concern about this and are aware of X, Y, Z hospitals out there about to get into this, surely they would have come to this Parliamentary Committee and said: Hey, you know, we are concerned here and you should take this into consideration when you make your report.

Mr. J. O'Grady: The second factor, which I think should be taken into account, is that access to capital was a particularly important motivating factor, in particular, with respect to the Queensway decision and the Hawkesbury decision. So given that, it would appear to be a reasonable inference that the level of capital funding - which is made available to the hospitals in any given planning period - is a major determinant in their degree of openness towards contracting out of management functions to companies like AMI.

So, if the fiscal posture of the government has now loosened somewhat as a result of the improved economic circumstances, at least in southern Ontario, then it may very well be that the incentive to go in that direction is much less pronounced now than it was in '82, '83, '84. That would not lead us, however, to draw the conclusion that the danger is no longer to be given serious consideration. The danger will once again reassert itself as soon as the capital shortage problem reasserts itself.

Mr. Baetz: Yes. Well, I think that there was sort of a consensus, to the degree we attempt to develop consensus on the Committee during these hearings, we do not. But I have a feeling that we heard it stated frequently enough that, in fact, the lack of capital funding was a feature in having Hawkesbury go the way it went and Queensway the way it went.

But as you have pointed out, this is during the period of '81, '82, in there, and as we all remember, we were in the very midst of a very, very sharp recession there. And so in a sense, maybe, the Hawkesbury thing and the Queensway might have been children of the recession and that in future, we shall hope there are no more recessions or if there are, there shall be other measures taken. But, anyway, I do not --

Mr. Sullivan: Well, maybe either Terry or John or Sean may want to comment on the number of specific services that are being contracted out. And that is a form of management service. If you contract out a department, the management of that department is turned over to someone else. It does not necessarily have to be a total hospital complex. I do not know. Maybe --

Mr. O'Grady: It is not simply the housekeeping services which, in terms of the managerial function, are contracted out to companies like Service Master. It also includes the entire maintenance operation. It can include the laundry operation. There are also corporations involved in providing nursing services and so it is possible to contract for nursing management. Extendicare would agree to do any and all. If the trend has changed to department-by-department contracting out, then really what that is, is a "camel in the tent" situation. One is still going down the slippery slope, but one is going down it at a somewhat slower pace than when you contract out the entire managerial function, as at Hawkesbury.

Mr. Baetz: Well, I sensed in the presentation by the OHA that the boards regard these as really two different species; they are not of the same thought. The idea of turning over your management of your hospital to AMI and to differentiate that from contracting out your dietary services or your housecleaning service or what. The latter, I suspect you may be right; the trend may be for more contracting on that basis.

But certainly, as far as the OHA is concerned, they felt that the boards really do not like to contract out the whole management function of the hospital. They do not like it. They sense it places the management of the hospital somewhat beyond their control. They would sooner have their own administrator in there, who is more accountable to the board and so on. But as far as the other type of contracting is concerned, there I suspect you could maybe see more of that.

Mr. Chairman: That was perhaps the concluding remarks to the jury. If you have any comments on it, I would be happy to hear them briefly, but --

Mr. O'Connor: Well, there is one other difference in the type of contracting out, too. The Hawkesbury thing, Ottawa General had bid on that, also, Toronto General had been interested in doing the contracting or the management of that.

Instead, it was contracted out to a profit-making enterprise, which meant that the hospital was going to be run for profit rather than run to provide health care

service, with all that that entails, you go into the high profit kind of health service. And the kind of health service that does not have a high profit involved, then, you do not provide that kind of service.

Mr. Chairman: And they wound up with a key man from the Ottawa Hospital to assist them. I am sorry to have to cut this off. It is most interesting, but we have another delegation to come before us. It has been a pleasure seeing all you gentlemen and the information you have provided us is interesting. We will certainly take it into consideration in preparing our report. Thank you, again.

Mr. Sullivan: Well, thank you. Thank you for your time.

Mr. Chairman: The next final group is the Ontario Association of Professional Social Workers. I understand there is no brief presently but there may or may not be one supplied subsequently.

Mr. Alexander: Correct, Mr. Chairman. We are speaking from notes today but those will be made available in brief form to the committee members after.

Mr. Chairman: Perhaps you would like to identify yourselves for purposes of Hansard and then proceed.

Mr. Alexander: Thank you very much. Our delegation today is Professor Jean Jones of McMaster University who is the Chairperson of the Government Liaison Subcommittee of the Ontario Association Standing Committee -- Professional Social Workers Standing Committee on Health. And myself, Taylor Alexander, who is Chairperson of the Standing Committee on Health Committee of the Association.

Mr. Baetz: Why don't you tell us about what Professor Jones does and is.

Mr. Alexander: That will occupy so much of the time there would be nothing left over for our presentation today, I am afraid.

Ms. Jones: I have had so many years to do it.

Mr. Alexander: By way of beginning, Mr. Chairman, OAPSW supports the tradition of public responsibility for health care in Canada as embodied in the Medical Care Act of 1966 and the Canada Health Act. Regarding privatization, we have met with previous and current Ministers of Health and corresponded with former Premier Davis indicating our strong opposition to the BOND program, OHIP premiums and physician extra-billing.

We want full application of the principle of public

responsibility and we are disappointed that the Ontario government may be considering increasing the role of the private sector at this time. Studies on privatization are very sparse, yet they have shown that the private sector has no magic and is not more efficient in health care management than the public sector.

Historically, the public sector in Canada has become involved in health care because the private market did not ensure equity of access and efficient allocation of resources. Therefore, we would like this committee to pursue a reduction of the role of the for-profit private sector in health care. We are especially concerned about the dominance of the for-profit in the nursing home industry. We are prepared to examine the issue of privatization of health care as long as it is not expanded.

Several concerns arise over the issue of privatization. I would like to go into some detail and discuss these point by point. These issues include the following:

First, privatization of non-patient care activities in institutions can impact on patient care and this is a point that is often overlooked. For example, when you consider the impact of raising cafeteria prices and parking fees on, for example, renal dialysis patients who have to come to the hospital on a frequent basis, it is a clear example of a non-patient care activity impacting on patient care. Also it is stigmatizing for these people to have to ask for financial assistance if they cannot pay for these services.

Second, for-profit activities occupy valuable space within already severely cramped hospitals with a result that interviewing rooms are overcrowded, compromising patient confidentiality and staff privacy and efficiency.

Third, the incentive under BOND for hospitals to alter their mix of private and semi-private rooms helps promote a two-tier health care system and hinders low- and middle-income patients from receiving private rooms if they are needed.

Fourth, social work is not an income-generating service in hospitals, but a cost reduction service primarily through its discharge planning function. In other words, social workers in their discharge planning role ensure the efficient, fast discharge and placement of patients in acute care hospitals into other institutions. This helps reduce the acute care costs of hospitals.

However, if hospital management is oriented towards income-generating services, there is a danger that necessary services such as social work may be downgraded and curtailed at substantial human and financial cost.

Fifth, increasingly hospitals are relying upon contributions and volunteer associations to support funding of capital expenditures. These activities are unpredictable and undependable income sources. As a result, efficient planning and the quality of patient care will be compromised.

Sixth, problems of control and confused allegiances have already been experienced by some hospitals who have entered into private contractual arrangements. These difficulties are absent in publicly-managed systems.

Seventh, existing examples of privatization such as the Hawkesbury Hospital have not been evaluated by outside researchers and thus it is impossible to verify any possible claims about improved efficiency. For the sake of scientific credibility, it will be incumbent upon this institution to clearly demonstrate that only private management practices could have resulted in an improvement to efficiency, a very unlikely possibility.

Moreover, this style of privatization has been developed in the American context, which is, of course, very different from our own. Importing management techniques from a for-profit health care system which skims off non-paying patients is an anathema to the Canadian tradition of public provision of care and could be damaging to our hard-won health care gains which are admired around the world. We trust that the government making health policy in 1987 will not expand these experiments in free enterprise.

Lastly, it is well known that physician's decisions generate about 80 per cent of the costs of the Canadian health care system. If the committee is seeking real reductions in health care costs and improvements to efficiency, we would suggest that it concentrate its attention instead on physicians' practices.

In addition, studies have shown that physician fee payment systems can have a major impact on health care practices and subsequent costs. We feel the most effective cost containment will be realized by encouraging more efficient alternative health care delivery systems such as community health centers, health promotion and by a critical review of OHIP, which is an essentially private profit-oriented fee-for-service reimbursement scheme. It provides no financial reward for physicians to do health promotion and education which really are the leading edge of the emerging health care system.

Mr. Chairman, I would be glad to respond to any questions.

Mr. Chairman: Thank you very much. We seem to have

lost some of our members here so we will start with -- Anyone from the government wish to ask questions? Mr. Reyecraft?

Mr. Reyecraft: Mr. Chairman, in commenting on the Hawkesbury situation, you made the statement that AMI would have to explain why only the private sector could have achieved the things that have been achieved or were achieved at Hawkesbury. Why should they have to prove that only the private sector could have made those accomplishments?

Mr. Alexander: Well, I think if we are trying to prove that the private sector has some special technique or some special ability that the public sector does not, then they have to prove that only they could have done that. And if there were, and I am speculating, if there were management difficulties within that institution, it does not mean that a private solution was essential to solve it. They could have sought other public avenues to resolve that situation. That is simply my point, Mr. Chairman.

Mr. Reyecraft: Provided the quality of care in the hospital does not suffer, assuming that they are able to realize efficiencies that for some reason were not achievable before, it seems to me that that requirement should not be there, that the onus should not be on them to prove that it could only have been done in that way.

Ms. Jones: Hopefully, besides examination of the quality of patient care, there would be examination of the impact on the staff -- both the professional and maintenance staff -- and the quality of their working life in a hospital, as well.

Mr. Reyecraft: Well, too, I would suggest that indirectly those do have a very dramatic effect on patient care.

Mr. Chairman: I would like to hasten to add as well that the purpose of this committee was to examine what is there in the for-profit and the not-for-profit areas. It is in no way directed to what I thought you said: a new direction of policy of this government that we are going to suddenly be looking at the for-profit. The mandate is to look at both what is there, how it is provided and so on and then report to the Legislature. So I just want to make that perfectly clear.

And I suppose in addition to that, there have been submissions made about the question of lack of capital that has existed in the past. As you know this government has committed itself to \$845 million, I guess, for capital funding over the next five years so I just wanted to sort of set that straight. Mr. Baetz? Sorry. Are you finished Mr. Mr. Reyecraft?

Mr. Reyecraft: Just perhaps to conclude, Mr. Chairman, I would agree with something you said in that there should be some kind of post-evaluation of the Hawkesbury experience to determine all of its effects and ramifications and, in effect, that is one of things we hope to do through this select committee.

Mr. Chairman: I am sorry; would you like to --

Ms. Jones: I will respond to that. We would be concerned if there were change in policy or redirection based on the experience of one hospital, and I am sure that there will not be that much weight given to that one experience.

It should be noted that Hawkesbury is a small hospital and by no means presents the difficult management problems of the large, high-tech hospitals that we have in this part of the province.

Mr. Chairman: It is interesting though that the Hawkesbury experience is viewed by most people as having been a very unique experience, and I think that is why it is probably been of some importance to examine the total impact of that experience. I am sorry. I am eating into Mr. Baetz's time. Mr. Baetz?

Mr. Baetz: Anyway, the Hawkesbury experience seems to have attracted a great deal of attention today across the province, and I guess you were here when the Ontario Federation of Labour people were here, but I tend to feel that we should not conclude that just because it has been -- and I think it has been reasonably successful there -- but just because it was tried by a community that had become desperate about their hospital situation and it is working reasonably well, that the thing is going to sweep across the province. I just do not think it will. I was interested and encouraged to hear the Ontario Hospital Association's assessment of that, as well.

But just to go back to the one point you were making that non-patient -- when you were talking about contracting out and privatization and so on -- that even non-patient services can impact on the patient. And I think nobody would argue with you on that. If the food is terrible and served in a bad way, it can affect the patient. If the place is not well kept, it can affect the patient. So there is no argument about that.

But is it not true that you can have that kind of service as a part of the ongoing service of the hospital? I think that a lot of patients would say that a lot of the dietary services in the hospital today which are part and parcel of the administration of the hospital are poor. So

do you have anything to show where by privatizing it, by contracting out, it is more likely to be poor service? Do you have any evidence to that affect?

Mr. Alexander: I do not.

Ms. Jones: Well, I think the point that we were trying to make in that statement was really that the BOND encouraged hospitals to look at all the areas where they could increase their revenue, and expanding parking lots and raising fees was one of them. And the point we were making was that this may be a way to raise money but it certainly really is a user-charge on particularly those patients who are frequent users of that parking lot. That was one example.

I think we are more concerned about the introduction of commercial enterprises into the institutions because of their use of scarce space because we have the anecdotes reported from members of our association of what that has meant when the boutique has come in and the optician and the hairdressers, it has meant that other services get reduced in size. It really matters to services like social work where you are dependent on having some kind of opportunity for a private exchange with patients and families, and we have reports of interviewing space disappearing.

Mr. Baetz: Well, the Ontario Hospital Association people, they are perhaps biased on this, but they seem to see it as a success story when they said that in Oakville, I believe, they built a two- or three-tiered parking lot. In fact, they charged customers or visitors to come in there and everything --

Mr. Chairman: Depending on how you read that; I did not quite read it that way. Before you had a beautiful parking lot and now you have a three-tiered arrangement.

Mr. Baetz: Anyway, I think the big concern about the BOND program was that on the one hand you can make additional funds available to the hospital, but on the other hand, you might subsidize them less. So you are giving with one hand and taking away with the other.

But the final question is, a few years ago there was quite a movement within the social work profession of themselves developing for-profit services. I have been out of it now for ten years. Is that still around, that feeling?

They said to themselves, "First thing you know we will be contracting with one of these professional social work agencies that are in for profit, and they will provide the social service at a hospital on contract." Would you find that okay? Not really.

Ms. Jones: But I think that is the kind of possibility if this is pushed to the extreme and the contracting out can move from maintenance and laundry to professional services. And particularly the jump from management services to professional services is very short.

Mr. D.S. Cooke: It has already happened with professional services in terms of nurses.

Ms. Jones: Yes. So maybe that will be a new dilemma for our professional association.

Mr. D.S. Cooke: I hope not.

Mr. Baetz: I just want to say, Mr. Chairman, I appreciated the brief here and I think it is always very important to hear from the social work profession. Very often when we think in terms of hospitals we do not think of social work, and yet I wonder how many hundreds or maybe thousands of social workers are employed today in our hospitals in Ontario. It would be a substantial number I would think.

Ms. Jones: Yes.

Mr. Alexander: About a third of the 4,000 members are in health settings.

Mr. Baetz: Is that right?

Mr. Chairman: Thank you for your brief. I can relate one experience in fact. Are there social workers at every hospital or is it a matter of the board's decision?

Mr. Alexander: There is some discretion. According to accreditation guidelines, hospitals are expected to have social work departments. Their coverage is not universal though. It is a bit spotty but the coverage is very high.

Mr. Chairman: This is a major hospital in the city of Toronto where they had allocated the responsibility to some young 23-year-old young lady to go into an acute care area and sort of point the finger at someone and say, "You are going to chronic care this afternoon." And because there was no social worker available to sort of deal with the parents or the relatives on a long-standing basis, this elderly person suddenly found herself -- I equated it to the angel of -- pointing the finger at somebody and saying, "You are going."

Fortunately they were able to turn it around but I was really shocked to see that they did not have the sensitivity of a social worker in a major hospital in the city.

Mr. Alexander: We appreciate that comment.

Mr. Chairman: Any questions? Well, thank you very much for coming. We appreciate the information. We will certainly consider it in dealing with the report.

Adjourned until 10 o'clock tomorrow morning.

The committee adjourned at 4:37 p.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
HOSPITAL MANAGEMENT SERVICES

THURSDAY, APRIL 16, 1987

Morning Sitting

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Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

From VS Services Ltd.:

Graham, J. E., President and Chief Executive Officer
McCawley, P., Executive Vice-President
Martin, J., Director of Nutrition, Joseph Brant Memorial Hospital
Coupey, P., Corporate Vice-President, Personnel

From the Ontario Nurses' Association:

Lynn, G., President
Slattery, G. C., Chief Executive Officer
Nousiainen, S., Research Officer
Babad, A., Nursing Practice Officer

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Thursday, April 16, 1987

The Committee met at 10:10 a.m. in room 1.

CONSIDERATION OF HOSPITAL MANAGEMENT SERVICES

Mr. Chairman: Perhaps just for purposes of the record you will identify yourself, and if you going to simply read the brief that is fine, or if you wish to do it in any other way, that is fine, and then we will have questions from the members. We have half an hour slated for this. Obviously that is going to go to 20 to anyways. We like to leave time for questions from the members.

Mr. Graham: Agreed.

As indicated on the sheet that you have in front of you, we represent VS Services. My job with VS is President, Chief Executive Officer. Peter McCawley is our Executive Vice-President of Versa Services, which is part of our business that deals primarily with the health care industry. Judy Martin is the Director of Nutrition at Joseph Brant Hospital. Judy is an employee of ours and does the direction of the dietary department at Joseph Brant.

Now, if you are unfamiliar with our company, what VS Services does is provide a wide range of services, the best known of these are provided through several operating companies such as Versa Services, Versa Foods, Parnell Foods and Diplomat Coffee. We are a Canadian company traded on the Toronto and Montreal stock exchanges, and we would provide about 11,000 jobs across Canada, to be one of Canada's larger employers.

We appreciate the opportunity to discuss the health care scene with you today. We do have a rather unusual perspective of hospital and health care because for the past 25 years we have been a part of both the Ontario and the Canadian health care scene in that we provide services to hospitals and other related health care insitutions in Canada.

Many people are unaware of our company and our involvement in health care in spite of our size. Just as an example of that, at a dinner that I attended a few years ago, the then Treasurer of the Province of Alberta mentioned that his government would like to see the private sector play a major role in health care. After his speech I pointed out to him that not only did our company provide a lot of dietary, housekeeping and laundry services in Alberta, but within 50 miles of where the dinner was taking

place was the world's largest health care contract which was administrated by the Province of Alberta, and of course provided services from us. He was unaware of same. And I think this is illustrative of a point, and that is that a number of private sector companies have over the years in Canada developed an ability to help in the health care field without problems, without fanfare, but with substantial effectiveness.

Organizations, other than our own, that provide this type of service include people such as Extendicare, who I am sure is all well known to you, MDS who provide services in diagnostic labs, Modern Building and Cleaning, and ourselves who of course do hospital housekeeping. Many Companies such as Beaver Foods, Marriott, and again our own Versa division where we manage dietary departments in hospitals. And in a growing field, of course, people like Pete Marwick and Woods Gordons are developing quite a large business in effectiveness studies in hospitals, and of course there is also firms such as IBM and Borroughs who are developing programs of computer support for hospitals as well.

Now, the question sometimes arises, why do hospitals require so many services, and I think you are all aware of answer to that, but just let us give our view of it from the inside.

We watch as approximately 150 hospital administrators deal with their day-to-day tasks, and what those people face is a continually complex environment that requires a great deal of expertise. Now, there is two ways, of course, for the administrator to get that expertise; he can attempt to higher it all inside, or he can use the resources of outside companies such as ours.

However, the hospital field, and to a lesser degree the nursing home and the home for the aged businesses, are becoming so complex that for a single hospital or home to attempt to put together all the expertise necessary, would result in costs that would be unmanageable even for the largest organizations or the largest hospitals.

Now, what we do, of course, and what some of our competitors and some of the same types of companies and other business do, is we in effect bring shared expertise to the hospitals, and by the fact that it is shared expertise, we can do so at a lower level of cost than the hospital could do themselves.

I put together a couple of points up here on the chart to give you an indication of what it is that we see as the benefits of private sector involvement in the health care field.

The first one is expertise at an affordable cost. We

believe that companies such as ourselves have been able to bring a substantial amount of expertise. In our own case, we bring expertise to the management of dietary departments, to the management of housekeeping departments, and to several other departments within a hospital. And since we do that in a great many hospitals across Canada, we can centralize the expertise and access it on a much cheaper basis, a much more affordable basis than individual hospitals could do it.

Some of the places where this shared expertise impacts on the hospital I have made a second chart of. Things such as recruitment, and while recruitment sounds like an easy role, actually recruitment is a very important factor in running a hospital, and we, because we centralize recruitment, can do a better job at a lower price than some of our clients feel they can do.

Also of course the same applies to training. We specialize in training of people specifically for dietary departments of hospitals, and again, few hospitals have the size and resources that they could duplicate those programs individually.

Just incidentally, if you have any questions at any time, feel free to interrupt me or ask questions, I can deal with them either now or later, whichever you prefer.

Also important in the service industry is that we bring promotional opportunities to bear. People who join our company can be promoted not only to the level of director of dietary services within a hospital, but of course they can be promoted to levels within the administration of our own company. This provides the opportunity for more qualified people to enter into these businesses, to these businesses of providing food service because they know that they have an opportunity to advance.

Some of the others areas that our shared expertise impacts on the hospital or other health care facilities in the area of food purchasing, we purchase about two hundred million dollars worth of food annually, so again we have learned how to do that and we are able to share that expertise with our clients.

Areas such as menu development, nutritional analysis, things like workload scheduling, and particularly the new developments in computerization, hospitals are just on the verge of starting to have effective computerization, and that is an area where we can in particular bring them help at an affordable cost.

Any questions on those lists of shared expertise areas?

Mr. Johnston: We leave questions to the end.

Mr. Graham: Some of the other items that you may be interested in in what we see as the benefits of private sector involvement, is that most of the firms that have grown well in this business in Canada are Canadian firms, and some of them have since extended their business internationally. Firms such as Extendicare, MDS, Modern cleaning out of Ottawa, Beaver Foods out of London and ourselves, are all either public or private Canadian companies. We provide a tremendous number of jobs and we provide growth opportunities for Canadian employees.

In our own case at VS Services we have added 5,000 jobs since 1980, which may be the largest job creation record of any company in Canada.

Now, VS, while not as well known as some of the business legends such as Bell Canada or Alcan, does have an interesting history. We started in Ontario some 60 years ago. Actually, we started through the practice of selling Honeydew drinks at the CNE Fair Grounds, as they were then called, so we have been around Ontario along time.

One of our other predecessor companies in Ontario launched the whole idea of food service management in the year 1942, and in 1961 we pioneered the idea of helping hospitals in their food service management at the Joseph Brant Hospital in Burlington, Ontario.

Since then we have spent a lot of time learning a lot of things and becoming specialists in how to support the administration of hospitals by providing professional management services by having one or more of our employees located full-time in our client hospitals.

Now, we of course do not attempt to separate our employees from the hospital. Rather, we become a part of the hospital, and through the employees on site at the hospital, the hospital can then access the problem-solving ability of VS Services, which has resources all across Canada.

Now, due to our very low profile, aside from the administration, the Board, the employees, the Unions and sometimes the auxiliary of the hospital, few other people are aware of our involvement. And also possibly due to this low profile, some misconceptions arise in the public's mind pertaining to the role of service companies. One misconception, for example, is that service companies are not compatible with Unions. Such a misconception does not apply to VS Services.

We believe that hospital management must be responsive first and foremost to patient care as its highest priority,

but as a second and very high priority we also believe that every employee in the hospital must benefit from his job role. We see this as not only benefits such as pensions and job benefit programs, but also more importantly as job enrichment for all employees, and we work very hard to try to develop that.

Now, clear evidence of our belief in working together with the employees is that VS Services across Canada has a Union contract, successfully negotiated with 25 Unions in a 150 separate Union contracts. To our knowledge, that makes us the largest factor in Canada in dealing with Union negotiations. Yet, I doubt that any of you in the room have ever heard of a problem between VS, Versa or our Union because we do not have problems with our Unions.

We believe that the practice of providing health care must be beneficial both to the patient, to the employee and to the administration, and we work on that three-way triangle.

Still another misconception that arises, and is reported in the media frequently, is that the use of service company reduces employment. Now, again, I can speak only for Versa, but please be clear on one thing, Versa Services is in the business of improving the quality of services to the hospital by supporting administration. We are not in the job reduction business.

If a given hospital requires more people to do a quality job, then we recruit more people. If a hospital requires rescheduling of its labor force, we retrain people and employ them either within the hospital or at another of our locations. We do not spend our time laying off staff. Just the opposite is true. As the figures attest, we spend a tremendous amount of work recruiting, to recruit 5,000 people in seven years is a lot of work, and we spend a lot of time recruiting at entry level jobs where people are then trained and started on long-lasting careers within the health care field.

Now, an additional benefit that we think the private sector brings to the health care field is flexibility. One of the things that is little understood about the hospital world, is that every hospital is different from every other hospital. There are virtually no two hospitals in Canada that are similar or identical, and because of that, every hospital needs flexible and individual solutions.

Now, we have been able to do that because of our unusually broad experience. Over the 25 years we have been in business, we have dealt with literally hundreds of hospitals in every province in Canada, and we have complete access to the same type of situation within the United States, and to degree within Japan. So we have a wide range

of problem-solving ability.

This is not because we are smarter than the people who operate hospitals on their own, which we identify as self operation, but rather simply because we can access such a wide network, we have seen the solutions some place before, and we simply provide to the hospital access to those solutions.

Still another key benefit to the hospital in dealing with a service company in the departments that we operate, is that we can provide continuity of management. When a department head resigns or retires or goes on maternity leave, we ensure that the department continues to operate smoothly.

Now, we also feel that the final item on the sheet there that we have put up, alternative solutions is one of the particular big benefits. We feel that our role in the Canadian health care scene is to support the public sector, that is what we do every place we go; we provide support to the elected Board and to the administration of a hospital. But what we particularly bring is alternative solutions that would not be available to the hospital on its own.

So we feel that this particular Canadian created solution to hospital administration has been a very good one, and we hope that through any information we can share with you today, that we can help to ensure that it not only continues to be one of the solutions for hospitals in Canada, and particularly in Ontario, but that we can increase the impact and increase the benefit to all the factors, the patient, the administration and the employee.

We will now deal with any questions that you might have.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: Mr. Chairman, just a few questions on what is a very helpful brief and presumed a lot of questions I might have asked in the first place.

Are all your operations unionized?

Mr. Graham: No. Across Canada we have approximately in all of our businesses, we have approximately 30,000 locations in which we do business. And approximately, I suppose, a thousand of those we would have employees actually on site, and I would think possibly 400 are unionized and 600 are not.

We have no particular position on that. That is a client/employee situation. We act as agents for the hospitals, and if the hospital is unionized then we deal

with unionized employees; if the hospital is not unionized, we deal with non-unionized employees.

Mr. Johnston: The 400 operations where they are unionized, which are the Unions that you deal with? In Ontario, let us look at Ontario.

Mr. Chairman: I think they are listed.

Mr. Graham: We will deal with 25 Unions. Phil could tell us the names of the predominant ones in Ontario.

Mr. Chairman: They are listed in your brief, page 12.

Mr. Coupey: The predominant ones in Ontario are CUPE and SEIU. As well in Ontario health care we deal with CNTU and OPSEU.

Mr. Johnston: I missed that, sorry.

Mr. Coupey: Are you speaking specifically in the hospital industry?

Mr. Johnston: Yes.

Mr. Coupey: Then it would be CUPE, SEIU, CNTU.

Mr. Chairman: You should identify yourself.

Mr. Coupey: Philippe Coupey, Vice-President, Personnel.

Mr. Johnston: I appreciate that.

Mr. Graham: As Phil mentioned, we deal with quite a few Unions in our other businesses ranging from the Teamsters to Hotel Restaurant. Somewhere across Canada we deal with most of the Unions.

Mr. Johnston: Can you give us some idea of the wage structure of your hospital employees in Ontario?

Mr. Graham: Again, generally speaking in Ontario, the wage negotiations are done by the hospitals and the Unions and ours are identical. We do not have a different wage structure from the hospital.

Mr. Johnston: So job descriptions and that kind of thing are done in conjunction with the hospital, or how does that work that you develop parity?

Mr. Graham: Judy could answer that better. Are the job descriptions done in conjunction with the hospitals?

Ms. Martin: Yes, I would say they are based on what

is being provided in the hospital. But basically it is done at the component level, for the particular needs of that component.

Mr. Graham: "Component" meaning hospital.

Mr. Johnston: But the negotiation takes place between you and the Union, not between the hospital and the Union?

Mr. Graham: It depends on the situation. In many cases wage rates are negotiated by the hospital and the Union, some language clauses are sometimes negotiated by us.

As I mentioned to you, in the flexible solutions, there is almost no one answer for the business we do with hospitals. There are a group of different answers.

Phil, would you like to answer that?

Mr. Coupey: As you appreciate, the process of bargaining in the hospital industry in Ontario ends up in a central bargaining process. We tend to wait until that central bargaining process is completed through the arbitration process. Once the arbitration award is handed down, we have got pretty well a road map of what kind of settlement we are going to achieve with our employees in the hospital industry.

As Mr. Graham pointed out, it has been frequent, and I cannot recall an occasion where we settled for less. We have at times settled for more than what has come out of central bargaining.

Mr. Johnston: Originally your -- sorry, this is another matter -- food purchasing advantages that can come through you through Versa, does that mean that you are part of or are not part of the OHA's --

Mr. Graham: We are not part of it. We treat hospital purchasing in a diametrically opposed way to what they do. We buy the smallest quantities possible because we believe the greatest cost factor in hospitals is control of waste, not buying at the lowest possible price. So we go after it from a totally different viewpoint than do the purchasing groups which try to arrange big purchases at low prices. We do not feel that that is an effective way to purchase in a hospital. As a matter of fact, we feel it was quite ineffective.

Mr. Johnston: That will be fine for me.

Mr. Chairman: Any questions from any other members of the Committee?

Mr. Mitchell: I thought the brief was well prepared

and certainly gives us the benefit of a great deal of background information for our deliberations. You are one of the few that have come forward with the counter-proposals, counter to what we have been getting with regard to private involvement in the hospitals. So I thank you for a well prepared brief.

Mr. Chairman: Thank you very much.

Mr. McGuigan?

Mr. McGuigan: Thank you.

The witness has mentioned their operations in the United States and in Japan. I wonder if you could tell us a little more about that.

Mr. Graham: Yes. We have an affiliate company in the United States called ARA Services which among its many other services is also in the health care, dietary and health care, housekeeping field. They have about 320 locations they work at. They in turn have a joint venture with a Japanese firm by the name of AIM that is trying to pioneer the type of business we do in Canada with hospitals, and AIM is now up to 23 locations that it has. So we can tie in the with expertise coming out of both those businesses.

Of particular importance is computerization, because the expensive computerization for the health care field is going to be so dramatic, that if we can plug into some research being done world-wide, we are going to be able to provide a substantial benefit to Canadian hospitals, and that is already starting. We have some computers now specializing in dietary in hospitals. But the longer term goal of course is to tie those into the hospital computerization system so you can do things like have diets, where there is the requirement for special diets, you will be able to see that as soon as the patient is admitted. But this is many years -- not many years, it is within a couple of years, but it is many million dollars away, and shared expertise can reduce that cost fairly dramatically.

Mr. McGuigan: I think you said really the beginning part of computerizing, I wonder if you could just give us a little more where you are at on computerizing?

Mr. Graham: Well, where we are at, there is a variety of different things that can be computerized in a food service operation. The very simple ones that can be computerized are the purchasing and the paying of the bills, et cetera, and all that reduces cost and therefore is effective.

The more technical things that are applicable

specifically to the health care field are using computerizations to do analysis of diets, analysis of nutritional value of foods and tying that back into the patient system.

You can also use computers to predict how much food you will need next week, what portions to cook it in. That is technology that already exists and that we have and are using in Canada. We use that primarily in university fields at the moment, but we will be installing that type of program in a hospital in Ontario within the next month.

Mr. McGuigan: Thank you very much. This may be asking an unfair question, but from your observations --

Mr. Graham: I am an old salesman; there are no unfair questions.

Mr. McGuigan: Your observations of the hospital system and working in them, is there any particular field where you see there are great opportunities, or any kind of opportunities, to reduce the rising health care costs?

Mr. Graham: Well, I think there are great opportunities in almost aspect of the hospital field for cost reduction, but I would not want that to be taken as criticism of the public system. I mean, we do not see ourselves as alternatives to the public system. We see ourselves as support to the public system. I think we have a good system, and I don't think broadly that there is gross misapplication of funds that I know of, that is not the field I study.

There are certainly areas in hospitals where costs can be reduced, but I think that it has to be looked at in view of the fact hospitals are frequently, especially in outlying areas where we do a lot of work, hospitals are frequently the major source of employment in the community, and many things have to be taken into consideration when one thinks of cost reductions in the hospital field.

I think one the goals that is most important is cost curtailment. Let us not let the system be used for goals other than patient care in the future. I would suggest that is more of a problem outside of Ontario than it is in. In some of the provinces where we work, the employment consideration is a very high priority in the hospital field. I think that is less of a problem for Ontario.

There are costs that can be saved almost every place, but I think the public system is doing a good job in trying to do so. I think if increased use are made of firms, the laboratory area where MDS is working, big opportunities for cost reduction, because we have been at this for 25 years. I believe we and our competitors have helped bring the

service costs down in the dietary department very dramatically and give good curtailment possibilities for the future.

Many other departments in the hospital have not yet had that benefit of the alternative solutions that we mentioned. We are expanding now into several other areas including management of materials, and that there is big costs -- by "big" I am not talking about 30 per cent, but if you can save 10 per cent per hospital, that adds up.

Mr. McGuigan: Thank you very much.

Mr. Chairman: I was going to ask you, when you initially enter into a contract with a hospital, having had no previous experience with that hospital, you arrive I gather at an annual fee, do you, for providing the services?

Mr. Graham: Again, as I mentioned, there is almost no one solution. Most hospitals operate on a fee basis, but there are some that actually say to us, here was last years cost, can you better that, and we sometimes say, yes, we can.

But before we go into any hospital we do a full survey of that department and we tell the hospital up front whether or not we think there are advantages in use of our services; sometimes there are, sometimes there are not. Some hospitals do an outstanding job in operating their own dietary or housekeeping department and in those hospitals there is no role for us. 85 per cent of all hospitals in Canada operate their own dietary department. 95 per cent operate their own housekeeping. So we are certainly anything but a huge factor in the total picture.

Mr. Chairman: I think you made a comment in your brief as I quickly went through it, that if you underestimate, that this does not reduce the quality, because you want to get the contract from --

Mr. Graham: I am sorry, I did not quite catch it.

Mr. Chairman: Let us say that you go into a hospital that you have not been familiar with before and you underestimate what the cost is going to be, I thought I read in your brief the fact that that would not curtail you providing quality service so that you could get the contract back.

Mr. Graham: Since the overwhelming proportion of our hospital business, which is a bit of a difference from the rest of our business, we have all kinds of businesses, but in hospitals we are basically on a fee, so the cost reduction goes right back it to the hospital. Any cost overruns also go to the hospital.

They are a few occasions where if we misestimated, the difference would come out of our pocket. Where that happens we pay it out of our pocket. We are big boys, we can handle that.

Mr. Chairman: Thank you very much.

I am sorry. Mr. Baetz?

Mr. Baetz: One quick question. You service 45 hospitals, I believe you said, something like that.

Mr. Graham: Yes.

Mr. Baetz: Are there others like you in the field? I know you do not like to mention competitors.

Mr. Graham: No, I do not mind talking about our competitors at all.

In the dietary end of the business, the second largest would be Beaver Foods out of London, Ontario, and a firm out of the United States, Marriott Saga, would be the third largest, but they do not have too many hospitals, they are primarily in the school business.

In the housekeeping, which is another area we do, a competitor is Modern Building Cleaning out of Ottawa, and Empire cleaning here in the City is in that kind of role, and also another American company, Service Master has come into that field in the last few years.

Mr. Baetz: How could you compare with your competitors in terms of the numbers of hospitals served? Are you number one or are you number two?

Mr. Graham: In dietary we are by a wide margin number one. We have more than the rest of the competitors combined several times.

In housekeeping, I believe Modern Building would have more facilities than we do by a slight margin, but it is fairly close. But we are the leader in both fields.

Mr. Baetz: Is the trend for ever more contracts or has it plateaued off?

Mr. Graham: The difference in recent years is that the big institutions have become interested in getting management companies to help them out. It used to be that our business was primarily to take expertise to the regional hospital, the smaller hospital that could definitely not share the costs of the research we do.

We have approximately 150 specialists that spend all

their time thinking about food service matters. Now, no hospital can afford that.

The trend in recent years are the big hospitals are starting to make greater use of our services. Now virtually every big hospital in Canada has some sort of a contractual relationship with outside companies. So the trend is to bigger hospitals utilizing the services.

Mr. Baetz: Thank you.

Mr. Chairman: Thank you very much, Mr. Graham, we appreciate you and your associates coming in and providing us with a very full brief, and I think it will be very helpful it to us in our deliberations.

Mr. Graham: Thank you for your time.

Mr. Chairman: The next group scheduled is Ontario Nurses Association. Arlene Babad, would you come forward, please. I understand that Gloria Lynn and Glenna Cole-Slattey and Seppo Nousiainen. Well, I tell you what, you can identify yourself for Hansard personally and then that way the direct pronunciation will be placed on the record.

Mr. Nousiainen: Seppo New-sea-en (phonetics) is the way it is pronounced.

Mr. Chairman: As you probably have seen from the group before you, we have your brief, and you can either read that or you can highlight it you wish. We would like to leave time for questions from members of the Committee. The timing we have is half a hour, so we will be going until to about ten after eleven. So we hopefully want to have 10 or 15 minutes of your presentation to have questions from the members.

Ms. Lynn: The Ontario Nurses Association is a Union which represents more than 45,000 registered and graduate nurses employed in hospitals, nursing homes, homes for the aged, public health units, VONS, medical clinics and industry.

As the voice of these nurses, ONA welcomes this opportunity to express its views about the role of the commercial for-profit sector of health and social services.

Our Union firmly believes that society's goals of providing compassionate high quality care cannot be sacrificed to the commercial goals of maximizing profits. If the for-profit sector is to have a continuing role in the delivery of care in this province, we must provide a system of accountability which ensures that this will not happen.

This Union does not agree with the popular opinion that private management services and for-profit ownership lead to a more cost effective care delivery.

In fact, judging by recent reports concerning the deplorable conditions found in some of our privately owned nursing homes, there is mounting evidence that commercialization of health and social services adversely affects health care delivery.

The expansion of private hospital management services must be halted. The popular myth is that private management is more cost-effective than public management. However, there is no evidence to support the validity of this myth.

A close look at Ontario's situation clearly amplifies this point. At the Hawkesbury and District General Hospital, the introduction of private hospital management in 1983 appeared to turn a deficit around to a \$400,000 surplus.

A more intensive examination of these figures, however, show that these savings were not made by improved management efficiency, but by closing beds and reducing nursing and support staff.

The proponents of private management services also argue that the private sector have better managerial skills, better information systems, and make better use of supplies and services, including large scale purchasing of supplies, which results in cost savings.

There is nothing which prevents publicly managed institutions from adopting the practice of private industry to achieve the same results. Such measures as better use of information technology and multi year budgeting could be used to improve the overall performance of the public system.

For example, publicly managed institutions are just as capable as private ones of taking advantage of centralized purchasing to reduce costs. The new management information system project now being tested at two Ontario hospitals is an example of how a sophisticated information system can be developed within the public system. There is no reason why these types of initiatives cannot be expanded.

By improving the incentives for sound management practices in the publicly managed system, the overall performance will definitely improve.

This Union also recommends that a halt be placed on the expansion of for-profit ownership of nursing homes services unless it can be clearly established that this commercialization does not adversely affect health care

delivery. And the government must develop new standards of operation and accountability for the remaining privately owned nursing homes.

The government's recent initiatives requiring full financial disclosure is a step in the right direction, and so are the recommendations by the government's own consultants about more stringent regulations and enforcement.

The Ontario Nurses Association welcomes this opportunity to present our views in private hospital management services and on the for-profit sector of chronic and extendicare services, and we will now be pleased to answer any questions.

Mr. Chairman: Thank you.

Mr. Mitchell first and then Mr. Johnston.

Mr. Mitchell: Just one question that came out of the brief that I wanted to ask, because it has been raised by a couple of organizations that have appeared before the Committee.

Relating to the Hawkesbury Hospital, you said that one of the ways that they saved money was closing beds. Do you mean permanent closure of beds? What are you talking about specifically?

Ms. Babad: The Hawkesbury Hospital closed one floor of the hospital during the summer. There have also been other problems; for instance, they have reduced staff by attrition, they have cut down on overtime worked.

Mr. Mitchell: Let me ask you this then, because I do not know of any hospitals that do not reduce the number of beds during the summer, how does Hawkesbury then differ from the rest?

The hospital that I served on as a Board member on in Ottawa does. A lot of hospitals reduce beds during the summer because the demand is not as heavy. That is a normal practice of hospitals.

Why then is Hawkesbury any different on that?

Ms. Babad: We were just citing that the deficit that they are saying was reduced was not necessarily by their management practices.

Mr. Mitchell: I am sorry, your brief indicates that they are exclusive in their closing of the beds. That is the way your brief reads, unfortunately. You are really citing a practice that is common to hospitals.

Ms. Babad: That is correct.

Mr. Chairman: It is not really their brief. They are referring to OPSEU reports. It is in the footnotes.

Mr. Mitchell: But, it is, however, in this brief.

Mr. Chairman: Well, they are referring to it.

Mr. Mitchell: Now, you say, following that question, you say they reduce staff. How many staff did they reduce?

Ms. Babad: I do not have the exact number.

What I can explain to you is that our bargaining unit, we have a clause in our collective agreement that allows disputes to be resolved over care. And there has been a professional responsibility complaint filed at this hospital.

Now, it does appear to be -- it is likely to be resolved. However, the chief concerns at this hospital were concerns about additional nursing staff and support staff, and of course the resolution of that, and my understanding is that it likely will be settled, is that the hospital will be hiring.

Mr. Mitchell: Let me assure you, I agree with you, I do not believe staff should be reduced. I think patient care is the most important thing we are talking about. And I think quite frankly, and I am going to say this honestly, because having been a patient in a hospital here myself in Toronto, and having been on a Board, I know the workload that the staff goes through, and I know in 99 per cent of the cases how caring the staff. So I will accept arguments about patient care and the reduction of staff. I think it is unfortunate that the workload is the way it is.

What I am trying to be sure of is that when comments are made, and that is why I lit on the bed closure, when comments are made in a brief, it should not appear to be exclusive to that as you appeared to make it for Hawkesbury Hospital. That is a common practice of hospitals. I do not defend it, but that is a common practice.

Ms. Cole-Slaterry: I think the point Arlene was trying to make, sir, was that the management had claimed through superior managerial abilities to have saved \$400,000, but indeed that was researched and looked into, the \$400,000 savings had come from closure of beds and not the management style.

Mr. Mitchell: We have even seen a higher figure than that, that has been provided by them as a possible savings.

So we are not sure ours, we agree with you, we are not sure ourselves at this Committee level, where in fact the savings were and just exactly how much they were.

Ms. Cole-Slaterry: No doubt the savings were less than what they were told.

Mr. Mitchell: Well, some figures seem to indicate more strongly that they were more. So it is a confused situation.

Ms. Cole-Slaterry: If indeed there was an ideal managerial style which gave cost reduction in the providing of the service, whether the service was private or public, I would warrant to say that that would be public knowledge and then all people would use it.

But to make the case that private care is less expensive, without questioning the quality of that private care as versus public care, is to leave the listener with a half of a story in order to draw an assumption.

Mr. Mitchell: You cause me to look at another question. I tell you, I share some concerns like you about hospitals being operated by people other than a duly elected Board who have been selected by the community, if you will, to run that hospital. Do you think -- and I am hypothesizing here -- do you think that a step that could be taken to ensure that privatization of the hospitals does not come back, is that you change the electoral method of the Board in that you get people who can give the whole day instead of just appearing at meetings? Do you see what I am getting at?

Ms. Cole-Slaterry: That is a real conundrum. I had occasion to have a relative in Kingston General Hospital, and a physician there told me that part of the problems with that hospital was that the people in Kingston and the environs, the surrounding environs viewed it as their community hospital. When indeed, he, chief of a service, viewed it as a large teaching and research institution. And I got news for him, I view that as my community hospital; my father was there in 1918. Now, when you take me, who thinks it is my community hospital, and you take a ranking physician who views it as a teaching and a research facility, then you have a negative dialogue coming about there as to how that hospital should be managed.

I am not speaking for ONA now because --

Mr. Mitchell: No, I could catch that.

Ms. Cole-Slaterry: -- the leadership has not made a statement on this.

But I personally believe that there is little that is better served by outsiders, including the management and the direction of a hospital.

I think it would be very, very difficult to live in Guelph and tell the people in Ottawa how to run their business.

So I do not think there is a pure and totally perfect managerial system for health care. I think that health care, the industry itself, views itself somewhat separate and apart.

The bottom line is that is everybody in those beds are somebody's mother and somebody's father, in probably and what they think is their community hospital.

So I am myself personally prefer to see the hospitals governed in a shared government from local community leadership on a volunteer basis, and the staff that gives the care, whether that be the nurses or doctors, or whatever. I do not think you would get better care cheaper if you brought in full time whoevers.

Mr. Mitchell: One the problems I see, having been a Board member, is that you are in fact volunteering, although you were elected by the membership of the hospital, you are a volunteer on that Board, and quite often because of other demands on your time, the Board members do not always have collectively the time to do some of the things they should do, and so as a result they say, well, maybe we should look at hiring outside.

I guess one of the classic examples, or one the best examples of that is when hospitals are raising funds, and I do not want to point just at hospitals, because other organizations do it, but they higher professional fund raisers, and as a result, not all of that profit necessarily goes to the hospital, or to the whoever has hired them.

It is just a question I have had that sometimes maybe the Board should be elected at large -- and again, hypothesizing -- so they can spend more time in that particular role.

Ms. Lynn: With all due respect, but their knowledge base that are on these Boards is usually very limited, and their knowledge base of the health care field is usually limited, people that are on the Boards, and that is, what a lot of times, causes the problems.

Ms. Cole-Slaterry: If you are an attorney, or a bank president or a shop, you own your own business, no one would expect you to come with expertise in rarified areas of health care. However, you do come as a group with an area

of expertise, and that is you know your town and you know your folks. Now, in that role you more better reflect the needs of the community as it relates to this community service, however, you are at the mercy of management, who if they choose not to tell you things, you cannot deal with something you do not know about.

Mr. Mitchell: And that has happened.

Ms. Cole-Slaterry: More often that not, I might had.

But you are at the mercy of the integrity of the people who do know the industry and do make a living such as myself and the women here, who have come in the entry level, if you will, and come up through the industry. But my Board cannot deal with things I do not give them. And if I wanted to play that game where I will tell them this today and I will not tell them that tomorrow, then they would be making half decisions or half wrong decisions or half right decisions. So if you have a hospital administrator who has questionable integrity or does not carry a burning desire to share with his elected Board, the governors of that insitution, you are not going to have a very good place, and I do not care whether it is public or private.

But in the instance private I do not have to deal with your Board. I just have me and my staff.

Mr. Mitchell: Just one final comment. I believe that my hospital is my community hospital. Thank you.

Ms. Cole-Slaterry: Many Canadians share that view.

Mr. Chairman: Mr. Johnson?

Mr. Johnston: Thank you, Mr. Chairman. A few matters, if I might.

I think in fact we have not dealt much around the whole question of the functioning of hospital boards in this whole question of privatization and the whole question of control. But my sense is that hospital boards are not representative of anything except somewhat of the elite within a particular community, but certainly not representative of the community.

The best example would be a place like Windsor or a place like Oshawa, primarily a lunchbucket town, and I will ask you just how many CAW workers are on the Boards of those hospitals, and I will tell you, there are not too many of them, and in terms of representing the interests --

Mr. Mitchell: If I can just interject.

Mr. Johnston: You had your shot at this, Bob.

They are elected by an inside group of people who take out membership in the hospital, rather than by the community at large, and they come with some particular kinds of expertise, and some people are useful are on it and some people are not, but they are given inflated status supposedly within the structure for what their real effectiveness can be because of not knowing the system that well, and because of the fact that they actually are not accountable to anybody in the community. They are accountable to a small group of people who happen to elect them.

We have seen around abortion issue just how skewed the whole notion of what membership is all about in a hospital, and the hospital making decision can actually be.

I think maybe one the things, if we actually do pursue this notion of the management and control of hospitals a little further, one the things we should look at is the whole question of reviewing the role of boards and how they come about to be and what kind of power they actually have in the structure.

I wanted, though, to ask one question which comes out of your brief and is referred to by others on both sides of this issue, and that is that the people that come before us from the private sector all claim that they can operate with more flexibility and creativity, than can people in the public management of hospitals. You have asserted in your brief that they cannot in fact do that unless it is at the expense of staff or whatever. But in fact there is no evidence to say that in the management of a hospital it cannot be done as efficiently by a Board which is following good basic principles, and administration that is publicly run, accountable to that Board.

Can you give me examples of where you think that the myth flexibility is --

Ms. Cole-Slaterry: It is not a myth. It is not a myth. Could I not be far more flexible and creative if I did not have to put anything I wanted to do to my Board? Does not my Board act as a checks and balances on myself and my entire staff?

Mr. Johnston: That is not what your brief says.

Ms. Cole-Slaterry: I do not think that flexibility and creativity in the privatization of health care will result in better health care. And I think that without a Board, as we have in public facilities, that you lose the community's checks and balances.

On your opener where you say that the Boards are

somewhat elitists, I found that that is true. It is a prestigious thing to be a member of a hospital Board.

But I cannot resist the opportunity to say that as my experience as a trade unionist goes in this industry, very often a hospital Board will be more union busting inclined than you would think, and the reason for that is that they have Union's in their own places of business, they do not like them, there is not much they can do about it, but they can sure hustle the Union at the hospital.

I do not think that flexibility and creativity is necessarily equated with better health care.

Mr. Johnston: Maybe I did not put it the way I wanted to then. Pages 3 and 4, at the bottom of page 3, top of page 4, you talk the proponents of private management services, et cetera, and you talk about the fact that there is nothing to stop public hospitals from instituting those kinds of things. You use the example of information systems.

I am basically asking for any other matters that you see as good examples of publicly administrated hospitals in terms of nursing versus the notion that somehow private management by AMI, or whomever, is going to improve matters.

Mr. Nousiainen: In other words, are there sound, well-managed public --

Ms. Cole-Slaterry: Sure there are.

Mr. Nousiainen: Asolutely, all kinds of them. Most of them in fact. I do not see that issue as in dispute at all.

I think the onus of proof is on private ownership to show how they can actually do this job better than the public system itself. And we do not see any evidence that they can. And really our case I think is that simple.

Ms. Babad: I think one of the classic examples is the United States. There is more research available in the United States obviously than there is in Canada. In Canada -- or Ontario, I should say, it is basically limited to the nursing home sectors. We do not have many examples of private hospital administration. But even in the United States they have shown that there is no evidence to support the fact that the institutions are better managed.

Mr. Nousiainen: In fact, the costs are higher in the United States in the privately owned systems than the publicly owned systems. So the I think the evidence is in fact the opposite.

Ms. Cole-Slaterry: I think too you have to look to, in the privately owned system there can be created mechanisms as to who do you take into that system. And obviously if "profit" is your watchword, then you are much less likely to take the acutely ill who requires involved care, or you certainly are not going to take the person who does not have a private funding for themselves, does not have private insurance, and what have you. So you really do have a two-tiered health care system, and it is second class medicine for third party base. If you have Prudential or Etna you can get in. But if you have only have a Medicaide card, they maybe full.

Ms. Babad: In some of our nursing homes in Ontario, where because of the method of funding of 90 minutes, if they do not want to take any of the heavier patients, and I know one of the things the government has done is instituted with the new homes, if they get a license they have to agree to take X number of residents, I should say, that require more than two hours of care, even though the funding base is the same. So you tend to get that problem within the nursing homes as well.

Mr. Johnston: The last two things, it is unfortunate that Mr. Mitchell had stepped out for a minute or two, because I wanted to do two things, one was to refer to the closing of beds phenomenon, and I am not sure about the particulars around the AMI Hawkesbury Hospital situation, but I would remind them that we did have fairly detailed information yesterday, from the Ontario Federation of Labour, laying down the statistics.

Mr. Chairman: He is back.

Mr. Johnston: Bob, I was just going to make some comments to you. If you remember yesterday's presentation from the Ontario Federation of Labour, pages 19 and on talk about the financial matters in terms of elimination of the deficit in Hawkesbury, a detail that we did not have ourselves, which hopefully will help us supplement information from AMI.

The other thing is, of course, that closing of beds is a recent phenomenon say during the summers. It has nothing to do with demand at all. Has everything to do with budgets and budget cuts. I think that should be remembered.

We have been whole floors closed on many hospitals, I agree, around the province over the last number of years. At the same time as we have had huge waiting lists of people needing surgery and needing hospitalization, but the only reason that it has not been undertaken is because the hospitals had to use that technique to meet their budget constraints.

Mr. Cooke: I think it actually started when you were parliamentary assistant....

Mr. Johnston: It could probably be directly traced to that, probably directly traced to that.

(Interjection)

Mr. Mitchell: Listen, if I might just comment since Richard is choosing to kind of take exception to some of the comments.

I can only simply point out that in your lunchbucket town that that you are talking about, if the people want to become part of the hospital association, the opportunity is there for them to become elected. It does not have to be the so-called --

Mr. Chairman: You do not even want to respond to that, that is certainly not in the question of for-profit and not for-profit.

Mr. Cooke: You do not know what you are talking about.

Mr. Johnston: No lunchbuckets.

Mr. Chairman: Mr. Johnston, are you completed? I have Mr. Baetz and Mr. Cordiano.

Mr. Johnston: I think if I did not complete, I would be drawn into a silly argument here.

Mr. Chairman: Okay. Mr. Cordiano first and then Mr. Baetz.

Mr. Cooke: I think our delegation wanted to say something.

Mr. Chairman: If it is on the lunchbucket issue, please do not, you will just fire up this Committee.

Mr. Cordiano: You do not have to adjust their arguments, no.

Ms. Babad: I was going to comment on the closure of beds. When you close beds, what you do is you end up with patients in the corridors and in the emergency department.

Mr. Chairman: I think Mr. Johnston addressed that, and I would agree with that, I think that is the direct result of that.

Mr. Johnston: I have spent sometime in the corridor myself.

Mr. Chairman: You were not there because of lack of beds, Richard.

Mr. Johnston: I was.

Mr. Chairman: Mr. Cordiano?

Mr. Cordiano: I just wanted to ask the association if you had any evidence that the privatization of hospital management services, or indeed privatization of the health care sector with respect to hospitals, is there any kind of evidence that would suggest that this is a trend that is emerging, apart from the two examples that we are very familiar with.

Ms. Babad: A trend is emerging of privatization?

Mr. Cordiano: Yes. In management services, like the Hawkesbury situation. We were trying to ask us ourselves this, were there hospitals or hospital boards that were looking at the same thing, but then did not go through with it?

Ms. Cole-Slaterry: Our crystal ball gets cloudy from time to time. It works pretty good, but...

Mr. Cordiano: Probably better than ours.

Ms. Cole-Slaterry: I have no doubt of that.

Well, as it relates to health care, that is what we do for a living, so we tend to watch; you watch your store a little closer.

I noted with interest three, almost four years ago, and in an aside conversation apropos to nothing, where a physician at the Kingston General Hospital told me that they were part of a pilot project as it related to the DRGs case mix funding. At that time I took note of it and thought, oh, God.

There are a lot of books on American shelves that say, can we learn from the Canadians, what can we learn from the Canadians as it relates to health care, because they look up here and they see that you have a fine system that has an equity for people built -- by "equity" I mean everybody gets in, there is not that winnowing.

The disasters in the health care south of the Border say in the last eight/ten years, pretty much could be traced to the change in the funding when they went to the diagnostic related groupings.

Now, we know that there are case mix studies in

Canada. We know that case mix studies are the fundings that privatized people prefer. So wondering why a quarter of a million dollars would have been put over for pilot projects in the London Hospital, I believe it was London University Hospital and Kingston General, at least three to four years, why would they do that? Well, they are looking for a different mechanism to control health care cost. And in the instance of the case mix, it is a system of reimbursement feeds best into privatization.

So what can my crystal ball tell me? If they are is studying case mix, they are interested in the DRG process, they have a lot of interaction the American Hospital Association, the American Medical Association. They call it case mix, rather than diagnostic related groupings, they call it case-related groupings, but what is in a name.

I have to assume from a trade union's standpoint and from a feminist standpoint since the workers in this industry are women, I have to assume that somebody is looking at changing the funding and monitoring of the system, which look would include the possibility of looking at privatization. I have had experience in that type of funding, and it has not been positive as it relates to trade unionism, to workers or to registered nurses. So I tend to pay a little more closer attention, so I do not wake up some morning and find out that some slippery fox has sold the merits of this to well-meaning people who are looking to control health care costs and find out that you have got a system that does not have equal access anymore, because that is what the statutory definition of your system is, is equal access for all Canadians.

Mr. Cordiano: I would assure you that I do not think there is one politician here that would not want to maintain that principle.

Ms. Cole-Slaterry: Even if you did, your body politic would not let you. The people want that kind of health care. It came from them in the first place.

Mr. Cordiano: I am not arguing with that. I am saying that I do not think there is a politician in this province that would want to see that system eroded. It is a different matter of looking at how funds are being expended and trying to become more efficient. But to change the very fundamental principle on which the system is based, I do not think that is the case.

Ms. Cole-Slaterry: I do not think they would come up a change that is fundamental. What they would do is prove a better way to build a better mouse trap.

Mr. Chairman: I do not want to interrupt this dialogue, I am sure it is a given that we are discussing,

but we are running into the next delegation's time and I have one more speaker.

Mr. Cordiano, unless you have another question?

Mr. Cordiano: No, I do not. Thank you.

Mr. Chairman: Mr. Baetz?

Mr. Baetz: Just a quicky. You have referred to Hawkesbury and a number of other agencies, you have in the last few days referred to Hawkesbury, and as an Ottawa valley boy, we of course knew what happened at Hawkesbury and we also knew what took place at Hawkesbury before there was this kind of management.

I think there was over-staffing. I can only give you have anecdotal information, but there was -- Anton got laid off at CIP and his uncle was on the Board so into the hospital he goes. And Susy needed a job. There was quite a bit of that talk at least in Hawkesbury.

Now, I am a not defending at all the new management system there. The jury is still out on it.

I do not think we should conclude that just before the AMI is operating the hospital there, that suddenly we are going to find a similar thing happening throughout Ontario. We were reassured yesterday by a number of delegations it is just not happening, it is just not happening. So I am rather maybe more relaxed about that than perhaps you are.

But anyway that is not the point of my question. The question was: You are concerned about the AMIs of the world and managing hospitals, and I think for real reasons. But, my question would be: What is your concern about organizations like VS -- what are some of the others that provide caretaker service? That these are for-profit organizations who have contracts with hospitals, and so forth. Is your feeling generally that if it works, if they provide an efficient service, if it is not broken do not fix it? Is that your feeling about this? Are you being very pragmatic about it or are you saying, it is very dangerous to be getting off further into this direction?

Ms. Babad: Really ONA has not taken an official position on the contracting out of the support services. But I would tell you that we have had problems with the contracting out of support services. And as a matter of fact we had an outside independent assesment committee investigating the care, which has been released, so I do not mind stating the name, McKellar General Hospital, and a number of concerns, not obviously only to the contracting out services of linen, and they have a number of services that were contracted out, and I can sure that information

with you at a later date. Because of the manner in which it was done, because of the lack of consultation with the nursing staff, it was very disruptive to the care being provided.

Mr. Baetz: There was one instance where there was a real breakdown; is that what you are saying?

Ms. Babad: No, there were a number of instances.

Mr. Baetz: A number. Out of perhaps a 150, or how many contracts there are I do not know. But by in large, what is is your impression of these contracts services, and do you have a bias, a honest bias?

Ms. Cole-Slaterry: I am against the sub-contracting.

Mr. Baetz: I beg your pardon?

Ms. Cole-Slaterry: I am against sub-contracting. If there is work there you should higher a work force and do it. I am against sub-contracting; it is a weakening of the agency itself in that people who come in from time to time do not have the same commitment, it is a weakening to the collective agreement, it is a weakening to organized labor, and it is sub-contracting. You can call it support service, or I do not know, per diem services, whatever you want to call it, it is still sub-contracting. And it does not necessarily make for a better work force, better delivery, higher productivity. But it does make for a bit of transiency in the work force, and that makes for greater control for management.

Ms. Babad: I was going to say in nursing it adversely affects care because of the lack of continuity.

Mr. Baetz: In every instance you are saying?

Ms. Cole-Slaterry: If you are talking about nursing, are you talking about nursing services?

Mr. Baetz: I am talking about dietary services.

Ms. Cole-Slaterry: I am against sub-contracting.

Mr. Baetz: You are against sub-contracting, period?

Ms. Cole-Slaterry: Because I do not think that it does anything except give managerial control a step up the ladder.

He mentioned the Marriott, the gentleman before us mentioned the Marriott, the Marriott are the people that do -- is it the food for Air Canada or American Air Lines? That is not necessarily good food. God knows when that

chicken was killed.

Mr. Baetz: That holds for any chicken you eat today.

Mr. Chairman: Let us not get into when the chicken was killed.

Ms. Cole-Slattery: The point I am making is that that food is not necessarily cheaper; if it is, it is not necessarily as nutritious as.

Sub-contracting does not provide a level of quality of service, regardless of what is being done, as people who do it at the place regularly.

In the instance of nursing, horrendous, horrendous possibilities for error in sub-contracting nursing. You would be sick and see three different people in two days, none of us really care. We are there, we are there to make some money. But we are not really involved in that hospital and continuing of the patients. One of the reasons why the hospital likes us to do it through agencies is because it saves them the benefits cost.

Mr. Cooke: Talk to Robert Fisher of CBC, he will tell you about contracting out from when he was in the hospital recently.

Mr. Chairman: Before we close this out, I am going to try and determine if OPSEU is here. If they are not, maybe we could spend a few more minutes with this delegation. I do not believe there are in the room.

Is anybody from OPSEU in the room? I am getting a negative indication.

I just wanted to ask a question, if I could. During the Bill 94 discussions it became apparent that in the United States, and most specifically I have to direct it to you because I detect I think a Rochester accent, I am not sure, but you must have --

Ms. Cole-Slattery: Getting better, it used to be New York.

Mr. Chairman: Is that right?

You must have some experience with the United States system.

Ms. Cole-Slattery: I do.

Mr. Chairman: I think that is perhaps why you are so adamant in terms of the privatization.

Ms. Cole-Slattery: Right.

Mr. Chairman: But during the Bill 94 discussions it seems to me that there was something that I heard somewhere along the line that the medical profession in the United States actually found that the privatization limited their ability to practice because the hospitals were profit-motivated and, therefore, the doctors were not given all of the tremendous freedoms that they thought might come from privatization, and I wonder if you can help us, if that is an accurate statement.

Ms. Cole-Slattery: The funding mechanism for health care delivery in the United States is quite complex. But to simplify it for purposes of discussion here and losing, I will warrant, a lot of substance in doing that, when they went to the diagnostic related grouping, it was that an appendectomy took three days, a heart attack took ten days. They had done statistical studies and they had certain what they called "norms". If the two of you go into the hospital to have your appendix out and I am the hospital, I am going to get reimbursed for three days. If I can get you out in two days, I get to save; it is mine. If I have to keep you four days, that extra day is my treat.

Now, from a managerial standpoint, who is going home first? You are both going home if I can on the second day, but for sure no later than the third day.

So what they found out was, they had patients going out into the communities, out into the homes, with stitches in and dressings that really should have been done. People being discharged into the homes far sooner than they should have been. The docs were wild. The doc knows you are not supposed to send somebody home with a draining collection in the middle of the wound site, for God sakes, so he has got to go down and argue.

Well, then they look for what they call outriders. Why did you not tell me? And then they get an extra two days for the collection. On and on and on. It was a mad house.

And the American physicians, God love them, they mean well, but they still think that they are private entrepreneurs with fee for service. But the fact of the matter, in the Sixties they started signing little blue pieces of paper that the government paid them for and they went on about their business. Now, when the funding changed, the hospital management started to call the shots as to who gets in the hospital, not the indigent with the heart attack. And when do they leave the system, not when the doctor says but what their DRG days are up. The doc woke up one morning and found out that things were horrible.

Mr. Chairman: Was this the insurance companies that

covered it and the government under Medicaide that put these constraints on the --

Ms. Cole-Slaterry: Sure. Medicaide, Medicare, they all come out -- I think the international nomenclature of disease had something like 150 or 500, some numbers. And if you broke your leg in Switzerland and nobody spoke English, and they put you on Air Canada and sent you home, the doc at the airport would look and by reading the numbers he would know exactly what you had broken and what had been done for you.

The DRGs came down something like 970 plus 2,000 outriders, accounting went nuts, the whole hospital went nuts. And the bottom line is, that the patient did not get better care; the patient got lesser care in the nurses in the doctors' minds and the spiralling health care costs still went on.

So do the docs feel more constrained under the so-called privatization, which a misnomer; it is just as much public funded health care down there as it is here, you guys just say it, they pretend it is not so. But sure the doctors are constrained. Sure they are. They have tissue committees and morbidity and mortality committees where they cannot take out too many gall bladders that are not sick, and all these other fine things. But all of a sudden now there are criterion to when people should go home and that criterion is not the doctor's diagnostic judgment. So, yes, the physicians are less than enchanted in the United States.

Mr. Chairman: Mr. Baetz has a question, but just before that I would just like you to tell, Medicaide down in the United States, if a person has -- maybe if I am getting irrelevant, somebody stop me -- but I think it sort of slots in with this.

Down in the United States, if you have medical insurance, how does that work? Does your insurance cover all your services in the hospital? I am told what happens is your insurance covers you for a certain period of time then you kick into Medicaide, then you kick into basically being treated as an indigent, I guess, or maybe that is Medicare.

Ms. Cole-Slaterry: If you are over 65 you have certain inalienable rights as relates to your age and your needs and you get your Medicaide card. But the States provide Medicare. And if you meet the criteria of the Medicare then the State participants in the payment of whatever bills you have. And Medicaide, I think Mr. Reagan, in his infinite wisdom, just let them have some form of long-term chronic care.

The answer is that if you do not go in the hospital

with a Blue a PRU or Etna card, you may have a very large bill when you come out, and it does not make any difference how many cards you have.

On the other hand, if all the criterion are meet, I have not meet anybody that meet them all, but the the major portion of your bill will be paid.

It pretty much depends, it depends on what kind of insurance you have got, it depends on your age, are you eligible for the social assistance programs. If you have aid to the blind or aid to dependent children, you come under what they call the SSI supplement, which is you tap into social insurance monies before you reach retirement age.

They have got a million different things, but the bottom line is that if you are well-to-do you get well taken care of, and if you are poor you may not. If you are indigent you may. But the guy in the middle, he is up for grabs. The wealthy man can pay and the totally indigent poor man will get fairly good care, but the Joe Blows of the world and the Jane Blows of the world, which are just people mucking along making a salary, they may not get it, they may.

Mr. Chairman: Yes, but they eventually become indigent too because all of their money is eaten up.

Ms. Cole-Slaterry: Well, they believe in a high degree of entrepreneurialism, so there is obviously outstanding possibility that I could become one of the rich people too.

Mr. Chairman: Mr. Baetz?

Mr. Baetz: Mr. Chairman, I do not think we need to in this Committee spend a great deal of time worrying about the American system. I think there is all party consensus that we have got a infinitely superior system here.

The only thing I should say, though, Mr. Chairman, on the American system is that for the first time in my life, after having lived in my place of Port Charlotte in Florida, and having heard all those wonderful, beautiful advertisements from the local hospital how beautiful it is in here, it was so tempting that I really figured I should drop in there and have an appendectomy, or something, before I went home. Up to then I had always feared going into the hospital, but they made it sound so beautiful.

But, really, I do not think there should be any concern at all that we are going to be --

Mr. Cooke: There is certain things in American that

we should not -- well, maybe not this Committee, but it is not all bad. The HMO program is something where we were really years behind.

Ms. Cole-Slaterry: But that is detection, early referral, monitoring, maintenance of health as versus tending of sick in pathology.

Mr. Cooke: But our reliance on the fee for service system is so out-dated that the American's are finding that because the private insurance companies cannot afford and cannot continue to charge those kinds of premiums, they are looking at other alternatives such as the HMOs.

Ms. Cole-Slaterry: But an interesting thing, on the HMOs, that was enabling legislation in the waning days of one of the Johnson terms, I think it was '74, and that never really got taken -- the docs never really flew with that, until the diagnostic-related grouping method of reimbursement came into place and then you saw HMOs springing up and really flowering and doing the things that they were supposed to do.

Mr. Cooke: I am not sure at least in Michigan, I would not say that it is the doctors that took the initiatives on the HMOs; it was basically trade unions.

Ms. Cole-Slaterry: True in Michigan, but they had to do that because Michigan was borderline bankrupt on Bluecross, Blueshield. They really did not much choice then.

Mr. Chairman: Were you asking this lady about the merits of an HMO?

Mr. Cooke: No. I am sold on -- maybe not the HMO, which is slightly different than an HSO, but I am certainly sold on the idea that we have to go in that direction.

Ms. Cole-Slaterry: I agree with the member.

Mr. Cooke: Allow the option of capitation to be available to more people in the province. Down my way, there is no option. There is fee for service and that is all that is available. We have no CHCs or HMOs. Some people would not like HMOs or HSOs, and I do not think we should say that they are one form of delivery that you have to plug into and that is all that is there. But we should start building some of those options into the system.

Ms. Cole-Slaterry: We spoke to this Committee about public health and early detection and referral and monitoring --

Ms. Lynn: Not this Committee.

Ms. Cole-Slattery: Was it not? Well, it was in this room.

Ms. Lynn: They all look alike after awhile.

Mr. Cooke: Yes, we all look alike.

Mr. Chairman: We have a renewal, a revival every three or four years, different faces arrive here on the scene. So you may not be speaking to the same people all the time.

Ms. Cole-Slattery: You never can tell. Well, they all have the same good intentions.

Mr. Cooke: We do not always say the same things, and that is why you confuse our faces. We say different things each time you see it.

Ms. Cole-Slattery: I am not getting into that one.

Mr. Chairman: We appreciate you coming forward and expressing your views and they will certainly be helpful I am sure in terms of our deliberations on the report, and I thank you very much.

Ms. Cole-Slattery: Thank you.

Mr. Chairman: I am advised by the clerk that OPSEU may well have dove-tailed with the OFL yesterday, we are going to check into that. If that is the case --

Mr. Cooke: Sean O'Flynn was here yesterday.

Mr. Chairman: And also Terry O'Connor was here I think.

Mr. Cooke: He is CUPE.

Mr. Chairman: He is CUPE?

Mr. Cooke: Yes.

Mr. Chairman: So we are adjourned until 2:00 o'clock.

The Committee adjourned at 11:30 a.m.

SELECT COMMITTEE ON HEALTH

COMMERCIALIZATION OF HEALTH AND SOCIAL SERVICES:
HOSPITAL MANAGEMENT SERVICES

THURSDAY, APRIL 16, 1987

Afternoon Sitting

SELECT COMMITTEE ON HEALTH

CHAIRMAN: Callahan, R. V. (Brampton L)
Andrewes, P. W. (Lincoln PC)
Baetz, R. C. (Ottawa West PC)
Cooke, D. S. (Windsor-Riverside NDP)
Cordiano, J. (Downsview L)
Hart, C. E. (York East L)
Henderson, D. J. (Humber L)
Johnston, R. F. (Scarborough West NDP)
Reycraft, D. R. (Middlesex L)
Stephenson, B. M. (York Mills PC)
Turner, J. M. (Peterborough PC)

Substitutions:

Caplan, E. (Oriole L) for Mr. Reycraft
Leluk, N. G. (York West PC) for Mr. Turner
McGuigan, J. F. (Kent-Elgin L) for Ms. Hart
Mitchell, R. C. (Carleton PC) for Miss Stephenson

Clerk: Deller, D.

Clerk pro tem: Arnott, D.

Staff:

Fooks, C., Research Officer, Legislative Research Service

Witnesses:

From the Medical Reform Group of Ontario:

Rachlis, Dr. M.

Divinsky, Dr. M.

Individual Presentation:

Manga, Dr. P., National Health Research Scholar, Health Administration,
University of Ottawa

LEGISLATIVE ASSEMBLY OF ONTARIO

SELECT COMMITTEE ON HEALTH

Thursday, April 16, 1987

The Committee met in room 1 at 2:15 p.m.

CONSIDERATION OF HOSPITAL MANAGEMENT SERVICES

Mr. Chairman: Recognize that we have a quorum.

Our first delegation is the Medical Reform Group and perhaps you could identify yourselves for the purposes of Hansard and proceed with your presentation.

Dr. Rachlis: Good afternoon. My name is Michael Rachlis. I am a physician in Toronto. I was in general practice for 8 years and I am now a post-graduate student in health care policy at McMaster University, and on my left is Dr. Mimi Divinsky who is a family doctor in private practice in Toronto.

I am just going to describe the outline of our presentation to you and then Dr. Divinsky and I are going to take turns in our presentation and then we would be looking forward to answer any questions that the committee might have for us this afternoon.

Briefly described, first of all, we are a group of about 150 physicians and medical students. We were founded in 1979 and one of our major principles is that the health care system should not put profit in front of patients and so that we find much on your agenda that is also on our agenda.

I think that what we mainly want to flag for you this afternoon is that we feel that not only does a publicly-financed and non-profit administered system provide better equity than a for-profit system, but we feel that also it accomplishes that job in a more efficient fashion. So, in other words, we think that the present administration that we have for our health care system in Ontario, by and large, ensures that people have reasonable access without financial barriers and at the same time does so for a cheaper cost than a for-profit system would.

So, first of all, Dr. Divinsky is going to discuss some of the issues that relate to a topic I gather that you are quite interested in which is the profit versus non-profit administration of hospitals and then I am going to conclude our presentation with some conclusions that we have on this whole issue.

Dr. Divinsky: I guess the concern about the hospital

management issue is that if you are going to make significant changes you want some guarantees that you are going to improve either the quality of care or the efficiency of the delivery of care or you are going to cut costs significantly. And what is impressive about the research from the literature that we have available to us on the issue of hospital management is that, as Michael suggested, it is that the myth of the private industry being able to do things better, more efficiently and cheaper is actually a myth, and that the studies that have compared the hospitals run by profit-oriented or private management versus public administration have shown that you may see that private management brings you in a greater profit, but it does so not because it is more efficient or that it limits cost, but because it charges for things and makes a profit on the basis of sales. And then, of course, you are into the issue of who is going to pay for those extra costs and are they rubbing on patients and the users of the health care system which is, of course, of concern to us ideologically.

But the issue that we are trying to put across is that private management is not more efficient or more cost contained; and from some of the statistics that we have included in our summary, that actually it is 2 to 4 per cent more expensive for a private company to manage a hospital or institution than it is for a public one to do so. And I guess that is, the literature and the references are available, if they are not already available to you, but that is, I guess, the message that we want to make.

Mr. Chairman: Thank you.

Dr. Rachlis: And if I can conclude by saying that one of the ways that we should be looking at the efficiency of any system is, what does it produce for what cost and that we have noted in our presentation, the written presentation to you, that Canadians have better health indices by and large than Americans.

For example, we have lower infant mortality rates, we have longer life expectancies. And this, of course, is not totally due to our health care system because that is-- our life expectancy, infant mortality are also reflections of our social conditions, but the economies of the two countries are more or less the same. We do feel that the health care system that we have in Canada and in Ontario is at least partly responsible for the better health that Canadians have, and in fact, that better health is produced for a cheaper cost than the cost of health care in the United States.

So I think that we have fairly good evidence that the public administration of our system, the non-profit administration of our system is a key factor in getting more

back for a buck out of our health care system and we feel that we should be looking to preserve the public and non-profit administration that we presently have in our system and we should be moving, perhaps, to look at areas of our health care system where there is for-profit ownership or management.

For example, we flagged the nursing home industry, the many problems that seem to beset the nursing home industry in Ontario; concerns about equity, concerns about efficiency. Many of these same concerns are the ones that people have in the United States for the private, for-profit hospital system. And that if one looks at the administrative expending, for example, in hospitals and in nursing homes between the two countries, Canada and the United States, that Canada spends far less money than the U.S. on administration of hospitals and administration of the insurance or other payment mechanisms for hospitals.

We have used the figure that in Canada the administrative costs of insurance, for example, are 2.5 per cent of all health costs, but 8.3 per cent of all health costs in the United States.

So that generally it tends to be lower in Canada, but as far as nursing homes are concerned the figures are pretty much the same between the two countries, that the cost of administration within nursing homes are a little over 10 per cent in both countries and I think that even just from an economic perspective that we probably would have lower costs if the nursing home industry was run on a not-for-profit basis.

And we feel that this is something that should be investigated and, at the same time, if we had a not-for-profit ownership and management of nursing homes, then we might be able to look towards having more equity within that system as well and less of the other problems that would beset it.

Now, I think that that would conclude our formal presentation. We would be happy to try and take some questions.

Mr. Chairman: Thank you, doctors.

Richard?

Mr. Johnston: Thank you, Mr. Chairman.

Let me start off with the distinction that may be being posed to us from some quarters. I am not really clear about it, but it may be arising, and that is in terms of hospital management, a distinction between the overall management of the hospital; that is, the AMI kind of

takeover in Hawkesbury versus partial management of departments: Foods services, caretaking, other kinds of things within the hospital.

Do you, as a group-- you are primarily speaking to an overall administrative approach when you present it to us. Have you taken a position on some of the other kinds of management: Partial management, privatizations that are going on within the system now?

Dr. Divinsky: It is true that we focused on those of the global and our concern being that a decision to do that affects the policies of the hospital as a functioning unit. If we start to break it up-- I guess we have not given a lot of attention to each of those individual, more business-like aspects of the hospital administration such as food or laundry which I think are, of course, important in health care, but not as crucial as decisions about what kinds of procedures, what kind of priorities are given to certain procedures and waiting times for operations, et cetera.

Dr. Rachlis: I think that our concern in those areas would be primarily directed towards what is the effect on patient care. We also are concerned that not only should there be equity within the system, the way patients are treated, but our group also feels quite strongly that there should be more equity and participation in decision-making amongst different health care workers and I think that that is going to be adversely affected if other workers within the system are given very poor wages and working conditions.

So we certainly have concerns about the so-called contracting out, as we see it, affecting patient care and the ability of other health workers to participate in decisions on, for example, resource allocations.

Mr. Johnston: Within the overall question of who is in control, I guess, of a hospital policy decision-making, things like priorities potentially for access, I suppose as we have seen in the American system or certainly in terms of access in certain kinds of services, like non-life threatening operations and that kind of thing, can you describe for me how you see the difference structurally between having a contract of some sort with an AMI, as an example, with a board and with the board having to deal with the professionals within the public system of a public administrator, et cetera, and the doctors involved?

I guess what I am coming down to is: Who is really in control in either way about the policies that are being made? Within the private AMI system, do the professionals tend to have the same kind of control they have under the public board; is there a distinction there and does the public board have a kind of role it should be playing, given that this is supposed to be a public sector control item, I

would presume, or is it just the senior professionals, especially the senior specialists within the hospitals; and would that be the case no matter which system we use?

Dr. Divinsky: Why do you not start that one.

Dr. Rachlis: Well, I think that you flagged a really, a major concern that I am not familiar with a lot of research evidence available, for example, on experiment where you allocate the decision-making within hospitals to an administrator who represents a non-profit board versus the medical practitioner. I am not familiar with any research in that area.

Maybe your staff can help you with that, I do not know. But I think that certainly our group has been concerned for a long time that the decision-making within the health care system is too tight, that it is too much within the senior ranks of the medical profession, the senior administrators of hospitals and senior officials of government, that we feel that although we have a public system, publicly-financed system, that there is not very good democracy within the system deciding resource allocation.

And certainly our group feels that the decision-making about those things, particularly resource allocation, should be done on a much broader basis and should incorporate the public much more than it does and it should also incorporate other health care workers like nurses and orderlies and other staff of health facilities.

So that I think that we would say that we do not know exactly the results of having different groups run things, but we do feel that it is too tight now.

Mr. Johnston: The other question I would ask would be moving very much to the general from our specific around hospital management questions and privatization and that is, that you have alluded to your concerns about nursing homes and the whole question there of the commercialization of that sector which, of course, is present predominantly commercial.

If you were in our position here and were looking at health care in general in terms of issues of commercialization and privatization that we should be looking at -- we are going to be looking at nursing homes this summer, the Lieutenant-Governor being willing or whoever makes the decisions about elections and that kind of thing -- but we had not set out any other priorities within the health sector as yet, have we?

Ms. Fooks: Home care.

Mr. Johnston: We are doing that as a package. Yes, sorry. But within health I guess the other thing would be some home care but nursing homes are both. But I am wondering if there are other items within the health care field around privatization that you think are worth flagging for us at this stage while you are here now, that you think either there are trends we should be looking to in terms of privatization that is taking place or if there are-- the kinds of things we are focussing on now, hospital management at this stage and the nursing homes and the home care corollary to that, I guess, in terms of services within the community; are there others that you would suggest we look at or have concerns about?

Dr. Rachlis: Well, another issue that we think is worth looking at is the methods of payment for physician services, but I think that there is abundant literature that indicates that the types of services provided and the amounts of services provided can vary by the mechanism of payment for physicians' services and whether physicians-- whether they are employees, employers, small not only for-profit firms or whatever they might be described.

And I think that certainly again the literature indicates that physicians are key decision-makers for allocation of resources within our health care system and it is not always clear how to describe a physician in economic terms. That clearly physicians in private practice are small businessmen, but on the other hand they are not only in business to make a profit. So they are sort of these funny creatures where they are not only for-profit little businesses and they are not like corner stores; but on the other hand they are not like a non-profit hospital in that they need to have some sort of surplus.

So I think that in particular we are concerned about the methods of payment for primary care services and we feel that the present and the past governments of this province have not looked seriously at alternative methods of paying for physicians' services and we have not really looked at the salary capitation model very clearly. Again I think that is fair to say, both the Conservatives and the Liberals, while you have been in power this short time, have not shown the type of enthusiasm for the development of these options that we would like to see.

So that is one area that we could flag for looking at in health care service organizations and another concern that we have is that you might be looking at in the future in terms of allocation of resources, although we do not necessarily flag it just for this committee, is the care of patients with aids. We can quite confidently say that in the next five years there is literally going to be thousands of people being treated for aids and that a lot of that, in fact, because the public response has been so slow, there

certainly is a danger that people are just going to go, are going to privatize things themselves because they are concerned that the public is not providing adequate services for these patients.

Mr. Johnston: One of the other difficulties, just to conclude on this, we had started to identify the OHSO Community Health Centre approach or the alternatives, but I guess we had disagreement early on on the committee around our definition of what is for-profit and is the individual doctor in his office for-profit or not? And I do not think we had a consensus on that and that is probably why we did not put that down as a major priority, although I know if Mr. Cooke were here at the moment he would argue very strongly that that is the case.

Our research that we received from Stoddard and Labelle basically thought that was perhaps -- I may be putting words into Roberta's mouth now -- I think that they saw that as extending our definition; in other words, it is a separate issue but it is not really a question of privatization or commercialization but is, in fact, a question of payment but that you would not consider a doctor operating out of his office a business for-profit kind of thing.

Dr. Divinsky: I think the more important issue is how he or she perceives themselves and to the extent that it affects their decision-making and the way they practice. That is the issue and if you have a perception of the target income and you are bound by the public care system, then how is your behaviour affected by that and then how does it affect your patient care. So it may not have to do with privatization in the sense that this committee is dealing with it, but it certainly...

Mr. Johnston: I think it does raise a question that I am sure Mr. Cooke and I want to raise again with the committee in terms of our looking at that if we, as a select committee, continue to exist, speaking from my past experience with what happens to select committees after elections.

The aids problem I think is one which at the moment is probably more in the domain of the Evan's Committee on the one hand and the Social Development Committee and its dealings with the Ministry of Health in terms of committee responsibility at this stage and we are being presumptuous to presume the questions of commercialization that might take place there until we actually see what government initiatives may come forward to meet that need soon, hopefully. It may be something we have to deal with.

Dr. Rachlis: We understand. I guess we are just plugging the point because we feel it is important for

everybody to be thinking about that these days.

Mr. Johnston: Right. Thank you, Mr. Chairman.

Mr. Chairman: It is interesting, Richard, because I was just asking the clerk to look at the sub-committee minutes. I know I certainly was very high on HSOs and CHCs and my recollection was that that was going to come with this hospital management. I was surprised when David raised it this morning and it was sort of left out. I am going to check the minutes, but I know I am very interested, particularly in my riding, because I think it is a real possibility.

Mr. Johnston: Perhaps we can open it again. What happened before was actually on a full committee meeting which unfortunately David was not at, I remember, and part of the advice we received from Roberta or Mr. Stoddard -- I cannot remember which it was actually --

Ms. Fooks: Roberta.

Mr. Johnston: Roberta. -- was that, in fact, it was stretching our definition. And then we set these other priorities and we really did not decide whether we would leave it out or how we would deal with it.

Mr. Chairman: My recollection is, and you might ask David, he was at the sub-committee meeting, I think we put it in and maybe it was the full committee that took it out. I would be very much interested in that.

Ms. Fooks: It was from the sub-committee that had Day Care, Hospital Contract Management, HSOs and CHCs and Laboratories and we pared it down to Day Care and Hospital Contract Management.

Mr. Chairman: Okay, right.

I would like to ask the doctors some questions if we do not have any other members who want to.

Oh, sorry, Mr. Leluk, I did not see your hand.

Mr. Leluk: Mr. Chairman, thank you.

I would like to just get a clarification, doctor. Is it Rachlis or Ratchlis, I am sorry.

Dr. Rachlis: Rachlis.

Mr. Leluk: Just a clarification on your organization. I believe you were before me as a member of another committee during Bill 94?

Dr. Rachlis: Yes.

Mr. Leluk: How many of the 150 members are physicians? You mentioned some are students.

Dr. Rachlis: 120.

Mr. Leluk: 120. So that your organization represents less than 2 per cent of the medical profession in this province. Do your colleagues share your views in this regard; do you know?

Dr. Rachlis: Do you want to comment?

Dr. Divinsky: We have never claimed that we represent the medical profession.

Mr. Leluk: No, but when you talk of a Medical Reform Group it sounds very exciting, sounds like, you know. I am just asking, you know, if the 17,000 physicians in this province feel the same way that you do?

Dr. Divinsky: We do not represent them and we do not speak for them.

Dr. Rachlis: I think that in some of the arguments and some of the points that we are making today I think that there probably is some agreement. I think that the CMA has been concerned about private management of hospitals. I think, in fact, that there is a fair concern about a number of our colleagues who may not share our other views about private management and ownership in the health care system because they can see what is happening in the United States where there is...

Mr. Leluk: Yes, the United States is a good example of a lot of privatization taking place, not just in the health care area but in correctional services and many other government services and I was going to say that there are many, many that would not share your views that privatization, whether it be in administration or other areas would not be...

Dr. Rachlis: I think that they would share our concerns just like the CMA was concerned about the Hawkesbury Hospital because I think that certainly some things that our colleagues in the OMA would probably agree with us on is that one of the nice things about the Ontario system is that by and large doctors have a fair bit of clinical freedom, that you can order tests and other investigations that you feel are appropriate on your patients without the concern an administrator is going to tell you that you cannot, you have ordered too many of those tests and et cetera which is often what happens within private U.S. hospitals.

Mr. Leluk: But you obviously believe and your group believes that privatization of certain services, whether they be administration or some other areas, do not save taxpayers' money because of their methods of streamlining those services or what have you? Because there are many groups that would disagree with you.

I have to say that even here in government, when I was Minister of Correctional Services, we privatized, say, the catering services in some of our institutions and we found that that was more cost efficient and more cost contained, for example, more efficient than it was for us to provide our own services in certain institutions; not in all. So you see, I do not necessarily agree with you. I just wanted to point that out.

Dr. Rachlis: I think we have to be careful what we are talking about, that I am not completely familiar with the literature in other areas of public services that are provided on that basis.

Mr. Leluk: But even in the health care field there would be those...

Dr. Rachlis: But within the health care field I do not think you would find anybody who has got a reputable name who has looked at the evidence who would say that private management of health care institutions has done so in a more efficient fashion than either public or not-for-profit administration. I think that if you look at other ministries, other government services, it may well be that your point is correct, but not in health care facilities.

Mr. Leluk: I see. Thank you, Mr. Chairman.

Mr. Chairman: Okay. Mr. McGuigan?

Mr. McGuigan: Thank you very much, Mr. Chairman.

In this you refer to the sort of doctor dominated system. I am just curious; what role do the medical schools play in fostering the idea of a doctor dominated system? What do they teach them in relation to income or do they stress income when you are going through the colleges? I just wonder if you could make comments on the effect of the medical education system.

Dr. Divinsky: I graduated from medical school in 1979 and my memory of it was that we rarely talked about money, never talked about money. What you are trained to think about is that you are the head of the team, you are trained to think about a hierarchy; that is, you are part of a team that works in a hospital or in a health care institution and the physician is always the captain of the boat, okay, and

you have got nurses and physios and orderlies to whom you delegate things that you want done, but your decision for which you take full responsibility and even if you delegate a task or a procedure, if there is an error made, if an injection results in a reaction, that is your responsibility even if you did not inject it.

So what you are emphasizing, when you graduate you have this incredible feeling of the fact that you are ultimately responsible and in a sense it may make it more difficult to share responsibility or to work in a two-tier team spirit and the emphasis is that you are the captain of the team. So I do not know if that answers your question but if you are talking about the running of something, does that...

Mr. McGuigan: I think it does shed some light on it. A friend of mine who graduated as a lawyer recently commented on the fact that professors made constant reference to the fact, well at the time you are worth \$65 an hour and constant reference.

Mr. Mitchell: That is a cheap lawyer.

Mr. McGuigan: Well, this was a few years ago. But from the educational level it was constantly impressed upon them that you are a \$65 an hour person and you are the leader as you mentioned, but you were not impressed-- money was not impressed upon you?

Dr. Divinsky: No, and in fact one of the things that struck me when I began practice was that I was unaware of exactly how much things actually cost. I would order urinalysis or hemoglobin or whatever and if you would have asked me as I walked down the hall of the hospital, do you know how much you just charged the system this morning, I would have no idea. So in that -- recently in hospitals I have seen, in the nursing station, routinely ordered lab tests and their cost to the system.

I think there may be more of an emphasis on trying to educate interns and residents about actually what they are doing in terms of, you know, financial costs to the system but the issue then to me is one of: In what way should that or should not that affect your medical decision-making.

That is, if I am going to feel inhibited to order a test because I know it costs \$50, how does that affect my medical decision-making and if my patient can or cannot afford that, et cetera.

So there are pros and cons to being trained academically in a way that is not money oriented, you know, that is...

Mr. McGuigan: That is very interesting. What about the internship system, or you read stories about, or people telling me that working a hundred hours a week, sort of a system that one would think from the outside is designed to either make or break a medical graduate, laying aside whatever risk it has to the patient.

Does this not really bring about sort of an atmosphere, you know, I went through Hades to get here, to be a doctor and the rest of you can do as I say and I am pretty well the person in charge here of everything, in a societal sort of way.

Do you have any comments on that intern system?

Dr. Divinsky: I have a lot of comments about the intern system but I do not know if the committee would be interested.

I think that the training of medical students socializes us in a way that drastically needs to be changed and you say that -- you know, aside from the effect it has on the patient. I am not so sure I am willing to be as cavalier about that. I am very interested to know what effect it has on patient care and I do not know if anybody ever studied that very intensively.

I think 60 Minutes did an hour-long documentary on the effect of fatigue on interns and residents in the United States and there is definitely, historically, a tradition of having to prove; you know, you pass through the fire and then you have proven worthy to be a member of the profession and the toll that takes on us. Personally, I have a lot to say about that and the effect that it has on us as a profession in terms of how we deal with our patients and our other discipline colleagues, I think it has a profound effect on that.

What it has to do with privatization I am not really sure, but it definitely affects us and I think medical school changes us or challenges us greatly in terms of our concepts.

Mr. McGuigan: Well, I saw W-5 also and also talked to a doctor who had recently come through-- I guess at the time was in the intern system, so I only separated the question from a patient standpoint because I was wanting to zero in on the doctor standpoint.

I certainly agree that it probably has put patients at quite a risk when people work 36 hours without stopping. I guess I have worked 24 hours myself without stopping, but not in such a critical area. And I know what condition you get into after working those hours, and I would certainly think that patients are put at risk. But my concern now is

just about the attitude developed amongst doctors.

Dr. Divinsky: I think it is not hard to imagine that there is some, in a sense that when you finish that process there is a part of you that feels that you deserve some kind of reward for having gone through hell and however you perceive that reward, whether you want money or you want status or prestige, or whether you just want to be able to work freely, and have job satisfaction. I mean, we, all of us, are different, but it is a process that profoundly affects us; I do not think there is any doubt about that.

Mr. McGuigan: Thank you very much.

Mr. Chairman: I would like to ask a few questions.

The HSO concept-- I would like to ask you as a medical reform group, you obviously are on a fee for service basis, are you?

Dr. Rachlis: I practice part time myself on a fee for service. Dr. Divinsky is...

Dr. Divinsky: I am by and large fee for service. I work in two clinics part time and which I am paid a salary per hour rate.

Mr. Chairman: I guess my question to you is and I do not know whether you have given me an answer: Number one, in a community where the medical profession is already in place, perhaps you can tell me how they can in fact keep a group from coming in who want to perhaps participate in HSOs? Is there anything within your medical profession or your ethics that says they cannot come in or is there some sort of a mechanism that your association has that would prevent doctors from coming into a community and participate in HSO? Nothing to prevent them?

Dr. Rachlis: As far as I know there certainly are not any restrictions that the profession or a hospital could levy on anybody opening up a practice.

Mr. Chairman: I suppose the worst they could do would be to prevent those doctors, if they come in, from having access to a traditional hospital to be able to service their patients in hospital?

Dr. Divinsky: You are talking about a walk-in clinic where they hire physicians?

Mr. Chairman: I beg your pardon?

Dr. Divinsky: Like a company that sets up a series of walk-in clinics and hires physicians? Is that what you are talking about?

Mr. Chairman: No, I am more concerned about how you can convince a group of doctors to take on the HSO concept?

Mr. Johnston: It depends how it works though. If you are talking about an HSO which is doctor based and people have their present rosters, it is a very easy thing.

Mr. Chairman: Establishing a new one, is what I am talking about.

Mr. Johnston: You are talking about somebody that does not have any roster or any hospital rights; there are some means of making that less attractive, it seems to me.

Dr. Rachlis: Are you asking how the concept could be made attractive to doctors with existing private practices?

Mr. Chairman: Yes.

Dr. Rachlis: Oh. I think that in fact there are a number of things that could be done and we in fact have spoken in the past to Ministry of Health staff on this matter.

We feel that there is too small a staff within the HSO branch of the Ministry of Health; I believe that they only have three field staff. They respond to requests from physicians or community groups about the program, but they do not market it at all and I know that there are a number of doctors who probably would be better off financially with HSO capitation funding than with traditional fee for service billings.

It is because the style of their practice might be to see people for longer visits and consequently have lower per hour billings. But in fact through their longer visits they may actually be able to see their patients less frequently. So that type of medicine, which is probably a better style of practice, certainly one I think that is appreciated more by patients to see doctors for longer periods of time and see them less often when you do.

I think that that style unfortunately generates a lot less income on OHIP fee for service. So many of those doctors who practice a "better style of medicine" would probably be better off on HSO funding but do not know about it. I would say that still in this province maybe 50 per cent of the medical profession really do not know anything about the HSO program.

Mr. Chairman: Well, does your association endeavor to sort of get this message across? It would seem to me that there would be a lot of people who perhaps are in surgery or

whatever and who have gotten on in years and they are kind of like the baseball player, they cannot effectively do that task any more and they would require or perhaps would jump at the chance of something along those lines.

Dr. Rachlis: Actually I do not know-- it is probably more appropriate for family doctors in active practice to look at.

Mr. Chairman: Is that right.

Dr. Rachlis: And that as far as the professional association goes, I am also a member of the Ontario Medical Association and that association does-- initially I would say, in the 1970s, they had a lot of concerns about alternative method of payment for physician services, but now is on record as saying that they are certainly prepared to look at them. But they do not particularly publicize these options to their membership but, on the other hand, I do not think it is their job; I think it is the government's job to properly publicize these alternative methods of payment and to market them better to the medical profession.

Mr. Chairman: To get back to what is really germane to this committee in the case of the HSO, as I understand it, if the amount that is allocated for each patient within the catchment group is not reached, those moneys then are available to the group of doctors to supplement, either supplement their salaries or to enhance the service that is being provided. Am I accurate in that respect?

Dr. Rachlis: I think that that sounds right.

Mr. Chairman: Now, does that worry you in terms of what appears to be at the crux of your submission and that of others that, in fact, if this is available for that purpose, that the doctor participating in that type of an activity might be considered to be in it for-profit, in a sense, because if he can either, you know, discourage people from coming or not be quite as aggressive in terms of diagnosing something and as a result saving that extra money for the end of the year for increased salaries?

Dr. Rachlis: Well, I think that we are concerned that any method of payment for physicians' services has good things about it and bad things about it and what we really need to do is develop an appropriate hydrant, that there is no question that on capitation payment that a doctor has an incentive to do as little as possible for the patients in his or her practice. On the other hand, on a fee for service practice, the doctor has a financial incentive to do everything for the patients in his or her practice whether they need it or not.

So I think that we need to look at a system that

provides incentives for people to do the right thing, that we feel that there are many advantages of capitation funding that have not been fully explored in Ontario. For example, that it offers the flexibility of having non-physicians performing many services that physicians now perform.

For example, we know that well-trained nurses can deliver anywhere from 25 to 50 per cent of the services that family doctors now provide, but it is very difficult for the average doctor in private practice to afford a nurse because anything that nurse does the doctor cannot bill for.

With HSO funding, if there are appropriate things for nurses or social workers or other people to be doing, you can hire them; they can provide those services and that leaves the doctor free to do the things that he or she is trained in.

So that the HSO funding has a number of advantages and we feel that what the province should be exploring is how to incorporate these advantages of capitation funding or of salary funding and ensure that the quality is still there. In the Ontario system there is a bonus for HSOs, if they lower the hospitalization rate of their clientele below the average for that particular region.

So in my mind that means that if a doctor or an HSO is under servicing people to the extent that people are getting sick and getting into hospitals then the hospitalization rate for HSOs would be much higher if they are actually under servicing their clientele, and that is not the case. The figures I am most familiar with are something like 10 per cent decreased hospitalization in patients who attend HSOs versus other people in their region.

But this is something that you are flagging, an issue that does need to be dealt with. It certainly is a concern of ours that quality be maintained. We feel that what has not been done is to do proper research and development of these alternative methods of paying for physicians' services.

Mr. Chairman: I guess there is an additional factor in there that if the patient who has signed up for this HSO or has been allocated this HSO is not happy with that group and goes to someone outside the group, that the cost of that is actually deducted from the capitation figure that they have got, so I guess someone could say marketing or that you have to do a good job; if you do not, you might find yourself out of business.

Just one final question, if I could. What would be your feelings about a scenario where perhaps there would be a private aspect of it, a private component involved, let's say that the the doctors own the land and leased it to a

community group to establish an HSO, let's say in a day surgery or an emergency service arrangement.

Would you see that as any great danger, that they would be the owners of the land and perhaps reap an additional profit by the natural appreciation of the value of that land or the building?

Dr. Rachlis: I think that to make sure I am understanding correctly what you are asking. You are talking about a situation where there would be a community group that would own the business, as it were, but the doctors own the land or the building or something?

Mr. Chairman: Yes.

Dr. Rachlis: I think that what we see as the most important thing is who is making the decisions in any given situation, and what kind of incentives do they have. So that I think that we feel that non-profit ownership and decision-making leads to better equity and more efficient operation within the health care system, so that we would favor that HSOs, as well as hospitals, be run on a non-profit basis.

Although I think, as it was mentioned earlier, it is quite a complicated issue when you look at physicians as economic animals. They are very hard to define and they are certainly not for-profit but they are not not-for-profit, and in fact they may operate differently in different spheres. They may operate as small businessmen in their own practices, they may operate as if they are a not-for-profit corporation when they are doing their hospital work, so...

Mr. Chairman: Okay.

Any questions of other members?

Thank you very much. Interesting and I am sorry I could not get into what we were discussing off the record. I think this morning I indicated that I heard somewhere that in the U.S. the doctors in private hospitals are more restricted than our doctors because of the profit motives and in terms of the tests they can order, the things they can do. And it was this gentleman here, if I recall, hearing that from, during the Bill 84 discussions, and it was rather an awakening item because that was certainly not what we were-- the impression we were getting from the...

Mr. Johnston: Private insurance companies are in fact the ones that have the largest single impact on what is procedurally acceptable down there.

Dr. Rachlis: We think public ownership and non-profit administration is good for doctors as well.

Mr. Chairman: Thank you very much, Doctor.

Dr. Rachlis: Thank you.

(Panel withdraws)

Mr. Chairman: The next presenter, there is a written brief before you, Pran Manga.

Now, sir, we have your brief, Doctor and perhaps you would identify yourself for purposes of Hansard and you can proceed in whatever way you wish. You can either read your brief or do you wish to highlight the brief and would like to leave a bit of time. We usually continue until four o'clock or thereabouts.

Mr. Mitchell: What time is your flight? I imagine you are flying back to Ottawa today?

Dr. Manga: I can take a later flight, not to worry.

Mr. Chairman: I would suggest then we go...

Mr. Mitchell: Which means that you would go on which flight?

Dr. Manga: It does not matter, I have paid the full fare, so....

Mr. Mitchell: You have an open flight.

Mr. Chairman: I might suggest, having had the experience - and you would be closer to this Mr. Mitchell than I am - but on a Thursday particularly before a holiday, you might find serious difficulty in getting a flight out other than the one you have got.

You might want to break for five minutes to give you an opportunity to book one.

Dr. Manga: It is not a problem.

Mr. Chairman: All right. I just wanted to make sure you can get home.

If you would like to proceed, professor.

Dr. Manga: Okay. I am Pran Manga. I am a research professor and National Health Research Scholar in the masters program in health administration at the University of Ottawa.

Some months ago I submitted a brief to you regarding privatization of medicare in particular with a rather pretty title, Wisdom or Folly? I re-submitted the brief a few

weeks ago on the assumption that, given that I had sent it in some months ago it might have been misplaced or just...

Mr. Chairman: We have it.

Mr. Mitchell: We have good clerks to rely on and a good research officer as well to keep us well supplied.

Dr. Manga: So I have re-submitted it. I am not going to read my brief, I just do not do such things. It is ten pages long. I think the one simple table tells the whole story in my view, the table that I presented you, whatever page number, I think five or six. This is a digested version for people like yourselves.

It originates-- the larger paper is 40 pages long, a lot more academic. I have been looking at privatization of health services in this province and in this country for something like 15 years and what you have before you is the wisdom of all those researchs that I have done over the years.

In short, my position as stated in the end, is that privatization is a non-starter in achieving the kinds of objectives this country set itself many years ago: equity and access, affordability, comprehensiveness and universality and this sort of thing, and financial justice; meaning that those of us who have money pay and those who do not do not. That kind of equity too is an important objective that one should consider.

I think, if I may say so, the one contribution I do make and the one that I beseech you as politicians of the province to really consider very seriously, is that for too long many of the debates in the House and certainly in the committee here you have had a very narrow view of privatization, but by and large privatization is automatically seen as a for-profit adventure or enterprise and that really when one talks about privatization in Canada we should be looking at two aspects to the concept.

The first is what are we trying to produce. When we think of the role of government we think of Government's role in four dimensions: ownership, regulation, okay, the direct provision of services and what I loosely call changing prices either through the tax system or subsidies. Those are the ways we manifest a role for the government and when we say privatization we are simply saying let's move government out of any one of these four dimensions.

Now, that is only half the story when we talk about privatization. The other half is the one that I think often gets missed out in the kinds of debates you have had so far which is: Well, if you say a lower profile, a lower rate of activity for the government in any of these dimensions, what

are you proposing to replace it by? It does not have to be private enterprise, that is, for-profit; it could be a whole number of organizations, community-based organizations on a non-profit basis. So that that too is privatization, in my view.

So there are many, many forms of privatization that one should consider. I understand that in the normal course of political and social discourse one is not very precise about what we mean by privatization, but if you are formulating policy one should be very precise just exactly what form of privatization one is talking about.

One could easily convert, for example, a for-profit private nursing home to a non-profit basis without it being part of the government in terms of ownership of nursing homes and so forth and so on. It is quite important to keep in mind specific forms of privatization one is talking about.

Mr. Mitchell: If I might just interject. When you are talking in that sort of direction you are going...

Dr. Manga: Yes.

Mr. Mitchell: ...you are really suggesting, I would guess then, that the Sisters of St. Joseph's or the Gray Nuns or some of those other organizations which were the total operators of hospitals years ago were really private operators but in a non-profit vein?

Dr. Manga: That is right. To me they were private.

What is privatization? To me it means that decisions about who gets what, how, et cetera, essentially are made by people who supply services and people who need to consume them without government dictating the terms or what have you. And I think it is the kind of-- that example, by the way, to me would be one way to go. I do not think that when one talks about re-privatization or privatization one automatically should think of what is happening in the United States. I think Canadians have a fascination with what is happening elsewhere, particularly the United States and the U.K.

The kinds of privatization you see there in those countries is not the sort of thing you will see in this country. I declared on page one and two that the forms of privatization that gets a lot of public attention in foreign countries is basically a non-issue here. We get excited about very little, it seems to me, but there are forms of privatization I would consider to be quite healthy.

Mr. Mitchell: Could you just elaborate on that, how they are different from the United states?

Dr. Manga: You are are not talking about private ownership of hospitals, for instance, and in the United states...

Mr. Leluk: They do not...

Dr. Manga: There has been transformation of publicly-owned hospitals to privately-owned hospitals. They literally sell them off to the private sector.

Mr. Leluk: There is no contracting in the United States...

Dr. Manga: There is plenty of contracting but there is very little here.

Mr. Leluk: ...for private, say, administration privately run?

Dr. Manga: Yes, that is one form of privatization, it is extensive in the States.

Mr. Leluk: How is it that different from what we are talking about here?

Dr. Manga: There is very little here. There is very little of that, is what I am saying to you.

Mr. Chairman: I think maybe you can address that right away because, as I understand it, the number of public hospitals in the United states is very minimal, a large percentage of them are what are known as private for-profit run hospitals.

Dr. Manga: Yes. That number is growing, the number of proprietor-owned hospitals is very much involved in the States. We are not talking of that here, is what I mean. Okay.

Mr. Mitchell: I have one question. The Americans' method of funding hospitals is always considered, but...

Dr. Manga: We are not talking, for instance, privatization of health insurance despite our little adventure in Alberta a few weeks ago that got skuttled very quickly, as you know. So that we are not talking about privatization in the way that the National Health Service in the U.K. is privatized where they have private health insurance, indeed, not just private health insurance, but subsidized by the state. That form of privatization is not what we are talking about here, at least not serious in any case.

So that the issue to me, when I declare that

privatization is over-blown, we seem to be getting caught up in the kinds of issues-- the kind of privatization that is occurring in other sectors. The health sector here is not nearly as prone to privatization as other sectors might be. The more important questions were the ones you were asking my predecessors here.

Mr. Mitchell: If you are willing to accept questions, Mr. Chairman, as we go along.

Dr. Manga: Oh yes, of course.

Mr. Mitchell: You are from a hospital or you are from a University in Ottawa...

Dr. Manga: Yes.

Mr. Mitchell: ...which is very much involved with a hospital facility, I am thinking particularly of the Dr. Keon in this.

Dr. Manga: Yes.

Mr. Mitchell: At that hospital, about the only thing that I am aware of that has some privatization in it, although I have not been involved in it on a day-to-day basis, is the lower level in that hospital where you go in and it is like peacock alley where there is glass all over the place and there is an ice cream stand and there is -- now, you know..

Dr. Manga: True.

Mr. Mitchell: I tell you frankly, if I was going into that hospital and if I had someone as a patient in there, that would bother me, seeing all of that. It Looks all very glossy.

Dr. Manga: Okay.

Mr. Mitchell: That sort of thing. How far do you think we should go in that sort of operation?

Just allow me. I would like to see, for example, the volunteers running the coffee shop and gift shop. I think that is fine, but what we are seeing in the Civic is going beyond that and I have some fears of that.

Dr. Manga: I think what you see in the Civic is thanks to the so-called Bond Program of a few years ago that the Conservatives brought in, but that must be taken in context; that is simply, how do we generate money in ways that does not affect medically necessary services.

We have not privatized medically necessary services.

Parking lots are not medically necessary, coffee and ice creams are not medically necessary, at least it is sold on the first floor, and if there is a bank on the first floor which you do not expect to see or a hair salon, et cetera, I am not bothered by that. You see, that to me is not privatization of medicare.

Mr. Mitchell: No, the bank, for example, I would agree with.

Let me ask you: How far do you go under the Bond Program and I guess that is something that I have a few thoughts about. I see, again using the Civic as the example, the parking garage that was built there and I see those being duplicated elsewhere, but they give the contract for running it to some parking organization.

Dr. Manga: Okay.

Mr. Mitchell: Now, it worries me to see that money going into building a garage because automatically you say: Well, where did that money come from? In all likelihood it may have come from the foundation rather than out of the board's normal budget. But there are some concerns there.

Perhaps you would like to comment.

Dr. Manga: Yes. I am not as concerned. I think if you are saying the extension of Bond would be so extensive that it would affect the range and comprehension of the services provided to the public, then you should be worried about it. I do not think that is so and privatizing or contracting out of such services does not bother me one bit.

Mr. Mitchell: Okay. I guess I will leave the questions. I will retain one for after, Chairman. I have a phone call.

Mr. Johnston: I was not sure if Pran wanted to-- we sort of interrupted him in the middle of a flow there and I was not sure if there were things he still wanted to make sure he got on record.

Dr. Manga: If I may elaborate then. Thank you.

It seems there many things that one finds in the modern hospitals which are not medically necessary and for which now there are much higher prices and much more extension provision of such non-medically necessary services.

As I said that does not bother me if one is assured that what we want to do through medicare we are still able to do. I will give you a better example than the one you chose.

Let's think of private accommodation, okay. We know for a fact that the extent of private accommodation as measured by the proportion of private beds and semi-private beds to the total has grown very rapidly. Now, should we be bothered by it? I would say to you, yes, at the point where the provision of private and semi-private accommodation interferes with the average person's ability to get admitted.

Supposing and I will give you an illustration of this. Let's take a little town that decides to build 80 per cent of its beds private, okay, which then means that those who cannot afford to buy private health insurance coverage, you know, the kind that is readily available and is getting costlier and costlier, it means that I, with my gall bladder problem or whatever it is, I have to wait in a queue because there is no regular accommodation for me and somebody who has a similar problem much later than me - I have been waiting six months - but because he has got private insurance coverage jumps the queue. That would be a problem, I think, because what we are doing then because of this provision of private services, not medically necessary, but provision of services, we would be depriving equal access.

As soon as it violates the principles of medicare I think we need to be concerned about it and in the way of the Canada Health Act I mention this, that we are allowing so many private and semi-private beds that there is going to be a queuing problem, not because of parking lots and what have you, but that is a different kind of problem.

Now, you will recall that ever since '57...

Mr. Chairman: You may not be able to park to get your gall bladder out.

Dr. Manga: In most places I would not worry too much about parking. The people I am talking about may not have a car to get there anyways.

Mr. Mitchell: That is true.

Dr. Manga: You think of what happened since '57. You recall from '57 onwards to 1984 we lived under a regime where a number of private and semi-private beds were regulated by, you know, under HDSA of 1957; that has, of course, disappeared. You also remember that we used to regulate the pricing of semi-private and private accommodation; that has, of course, disappeared too with Bond.

Mr. Mitchell: With Bond?

Dr. Manga: Yes.

Mr. Mitchell: Absolutely.

Dr. Manga: So now, if you are a small hospital administrator there is a margin where it pays to get for private accommodation and charge like hell because there are lots of rich people to pay for it.

Mr. Chairman: There are also people from outside of the country, Americans and so on, in some hospitals; they encourage them to come in and charge them a higher fee, actually in one hospital that I know of.

Dr. Manga: Well, all western countries do that. We do not do that nearly like any other western country.

Mr. Mitchell: Except that you would be challenged perhaps in Ottawa-Carleton, as we always have been, that there are too many beds occupied by residents of Quebec in the Ottawa-Carleton area and that upsets a lot of people.

I am talking about the general health care, that people in Ottawa are waiting for beds because half of them are occupied by residents from Quebec.

Dr. Manga: Well, I think that problem has always been over-blown and is certainly far less extensive than it used to be. I think the problem of waiting and queuing and what have you has always been a misuse of hospital facilities by physicians.

Mr. Johnston: Since we are...

Mr. Chairman: Just jump in Richard.

Mr. Johnston: Since we are doing an interruptive approach to you rather than our normal approach, how do we identify the point at which that starts to happen?

Dr. Manga: Of misuse of beds?

Mr. Johnston: Yes. How do we start to understand what that point is in terms of the health policy that you can say that this, in a certain area the cost of semi-private and private service is at such and such a level and the number of beds or percentage of beds are at such and such a level, then we are probably having a problem.

Can you give us a bit of the health policy on that?

Dr. Manga: That is not easily done because if you are living in a metropolitan area and if you have to queue up at one hospital, you try to go to another. So it is not easily measured. But it seems to me that people in the field, the

hospital level, hospital administrators know that people are now queuing up for services that before they could get very readily.

I am not sure-- I have not suggested that we will come to that problem yet, I am assured by, you know, the public servants and the kinds of numbers that I have been looking at over the past that we have not got there yet.

Mr. Johnston: I am just asking you how you define a threshold and if you look at elective surgery, and at the moment you know the kind of waits there are for elective surgery, and we were talking about the shutdown of beds over the summer which has become a recent economic tradition of hospitals which helps to compound that problem.

Are there measurements, are there threshold measurements that can be looked at?

Dr. Manga: Yes. I can suggest one, a very obvious one. If people had to wait so long that their health actually deteriorates, I would say that you have a problem. That requires some medical opinion not a health economist's opinion, obviously, and because all systems must have queues, if you did not have queues you have a very bad system, you have too much.

There is no country in the world that does not operate with queues for hospital beds. The problem is to have queues-- that being in the queue does not deteriorate or harm your health to the point that it now requires more medical services, surgical services, longer hospital stays and the like.

Mr. Johnston: How are you going to -- I guess again throwing it back at you in terms of identifying that as a potential problem...

Dr. Manga: Yes.

Mr. Johnston: ...and then how do we define it as an actual problem when what looks like it would be -- if you are making the type of bed availability and access to the services that go along with it, that a lot of those people may be hard to diagnose in terms of the effect of the wait; many people have heart conditions like some of us here.

Dr. Manga: True.

Mr. Johnston: And how can you determine statistically then any kind of analysis that would show that people under a certain economic level were not able to access the essentially profit beds or whatever and have gone to a stage where angioplasty can no longer be done and they have to go to bypass or whatever?

I just see a real problem of how you can work out -- of having means of deciding that.

Dr. Manga: You have suggested criteria yourself. You have suggested clinical criteria and that is what I suggested, too. Ultimately that is your task, whether you waited too long or not.

Mr. Johnston: How would do you ever get at that information statistically?

Dr. Manga: Further diagnosis and diagnosis upon admission. That might tell you whether the person has waited too long. I do not think it is a mystery in this country that some people wait too long for admission. That would not surprise anybody here.

Whether we are at the crisis point or something that one ought to be worried about, I do not know. That, as I say, is a clinical matter.

Mr. Johnston: Are there any studies going on...

Dr. Manga: Yes.

Mr. Johnston: ...to determine this kind of thing now?

Dr. Manga: Not here, unfortunately. In Canada we are too complacent about such things, but it seems to me that we do know that when the poor go to a hospital - I have lots of evidence on this - they stay longer. There may be two reasons for it. We have not -- two or more reasons for it, and we really have not sorted this out, but it may be that they come in sicker and my supposition is that they do come in sicker. They stay longer for virtually any diagnostic problem that you care to name. One other reason for them staying longer is their physician may choose to keep them there rather than send them home to an environment that is not very conducive but will probably upset them and so on.

Mr. Leluk: Is that not a reason for a lot of the privately operated clinics that have day surgery, that people come in, they do not wait around in a bed for two or three days waiting for surgery?

Dr. Manga: What private ones?

Mr. Leluk: What I am saying that there are clinics...

Dr. Manga: Yes.

Mr. Leluk: ...that are operated by physicians which are private, but they offer this day care surgery and what have you which would be a cost saving to taxpayers. He is

in and out in the same day.

Dr. Manga: There is a literal explosion in day surgery in Canadian hospitals and that is not a new concept.

(Interjection)

Dr. Manga: We are talking about quite a different problem here now: Why is it that when the poor go to hospitals they stay longer? And I submit that one reason is that, you know, delays in getting there and that may be accountable by many, many factors. It may be themselves, you know, there is a culture about medicine, about health care.

Mr. Mitchell: Part of it surely...

Dr. Manga: People stay, you know, stay ill quite long before they actually contact their physician.

Mr. Mitchell: Surely part of the lengthy stay in the hospitals, however, is caused by, as you say, it is caused by a number of things.

Dr. Manga: Yes.

Mr. Mitchell: But we are now seeing a lot of hospitals going through programs of geriatric assessment, and as a result someone who is of an older age has gone into a hospital, you given them a bit of a chance to recover from whatever caused them to go in there. So they are in for a more lengthy period so that they can go through that form of assessment before they are either referred on to a rehab hospital or to a home or whatever.

Dr. Manga: Yes.

Mr. Mitchell: But I think what causes the rest of the problem is the fact that there are not sufficient other beds surely, and I am thinking of, say for example, someone who goes in for some sort of mental problem. Because of the way the laws are and so on, Ottawa is only able to accommodate somebody, say, who has gone from the Civic to the Royal Ottawa, they really can only accommodate them for 14 days until they have to go down to Brockville, for example.

So, surely they all combine and what you are really saying, I would think, is that we need a great deal more beds of other types to ensure that the acute beds are properly used.

Dr. Manga: I hope that is not what you really believe, because I think our problem is that we just have too many beds.

Mr. Mitchell: I am sorry?

Dr. Manga: Our problem really is that we have too many beds.

Mr. Mitchell: Too many beds?

Dr. Manga: Yes, and that is really the problem. When you look at acute care beds per thousand population, we look at admission rates, the rate of hospitalization of the Canadian public, we look at how long they stay, we look at how often we institutionalize the elderly, we simply fall out on the extreme when you look at other countries' performance in all of these things.

So when you look at how quickly we put our elderly in institutions it is not for the lack of beds, it is we just simply do it more, we are number one in the world.

Mr. Leluk: You do not feel it is because there may be chronic care patients who are utilizing acute beds that should be in, say, a chronic care facility? We do not have sufficient chronic care beds or nursing home beds? You do not think that is a problem?

Dr. Manga: I think the real problem is that we do not have alternative services; socially or community-based services that allow people to stay out of institutions generally; whether it is acute care, formal care, nursing home or the like. I mean, do not kid yourselves, the story you hear all the time is that we are short of beds. Well, nothing has happened to beds for thousand population. What really happens is that beds per physician has, of course, fallen. Physicians are the ones who keep on telling us we do not have enough beds.

Mr. Mitchell: That is right. But you are in total disagreement. With respect, Doctor, you are in total disagreement with district health councils when you say that, and I am not just talking about the Ottawa-Carleton District Health Council, and I am pleased to hear somebody in fact disagreeing for a change with health councils because we keep hearing that 3.5 beds per thousand acute care, that figure is sacrosanct.

Dr. Manga: Do you know the story of how it came to pass, that 3.5 beds per thousand?

Mr. Mitchell: I really am not sure, but I know that that is the accepted statistic.

Dr. Manga: It was hearsay, that it was repeated so often it became a rule.

Mr. Chairman: Something like two and a half kids or

something like that.

Mr. Johnston: Let me just go back for a second, though, because I am not sure where we are going with that idea of your assessment. It is true that you can say that there are too many chronic care patients in acute care beds, but you really have to look back to the backup of the system which is causing the problem in terms of alternatives.

I agree with you totally and still government funding does not go into that but rather into hospital lobbies to create more beds.

Dr. Manga: That is true.

Mr. Johnston: But going back to that, just one last point, if I might, on your assertions about why the poor end up staying longer et cetera. Surely one of the other problems - again, it goes back to what we were talking about with Dr. Rachlis just before - and that is that many of the poor, a larger percentage of the poor do not have physicians and people in the middle-class and above and do not have services like HSOs or community health centres to turn to and, therefore, identification at an earlier time becomes a major problem as well.

Dr. Manga: That is less true now than it has been in the past. As you know, we have an abundant supply of physicians and people want general practitioners. It really is not a major problem. So that might have been true in the 1950s, '60s and early '70s, but I would say to you in the '80s we are at the opposite, we certainly have a lot of doctors and too many doctors.

Mr. Johnston: We are over-doctored, but is there actual statistical evidence now that says that, for instance, in the housing units like Reagent Park or my area, Warden Woods, that the usage there of those people of doctors is the equivalent of the middle-class? Just your economic experience, locally?

Dr. Manga: There is a difference. If I may report on a study I did for Ontario, the number of physician's visits per capita by income class is higher for the lowest income class than for any other. In fact, it falls off. That is the number of times people contact a doctor.

If you adjust for need, they are equal. In other words, because the poor are sicker you expect them to go more. So we have equality of access more or less.

At the same time, let me tell you, that there is a difference in how people use physicians' services. I mean, middle-class and rich people use specialists far more so that-- and low income people, low social climate people tend

to us GPs more and they use out-patient services and clinics and this sort of thing. So that there is a difference in the kind of physicians they contact.

But in terms of sheer numbers, I do not think I would be talking about that as a major problem any more. One has to remember that, you know, we boast quite rightly to have achieved this sort of equal access better than any other country in the world and I can speak from imperial analysis. I am not just guessing to you. When the Director General of the World Health Organization comes here and says this is the best system in the world, he was talking about just that, okay, that we have achieved equality of access to a degree no other society has. And to me that is a wonderful thing.

What is not wonderful, I think, if I may extend your question deliberately, is that we have equality of access but we do not have equality of outcome. If you look at the rich and poor, the poor die earlier and they have a more miserable life. They have a shorter life with more disability, disease and the like. And those inequalities in health have not narrowed. As a matter of fact, over the past little while, it is starting to grow wider.

So that if you think about my health and everybody's health, the middle-class and the rich are doing better and better than the relatively poor, even though they get to go to hospitals and physicians more often than we do. And what we are saying is that, and this is the policy debate that is looming over Ontario and indeed Canada, we have been saying this for years now, is that we have to look past medicare; medicare is only a necessary policy in response to the inequality we saw in the '40s. We now have to move ahead and look at other things. You know, the answer to medicare is simply necessary but not sufficient. If you rely on medicare totally to reduce inequalities in health, you are going to fail as we have indeed failed.

Mr. Mitchell: May I jump in and ask. I am appreciating this discussion because the way it is actually -- we are dealing with it, we are probably learning quite a bit from your expertise.

I am going to put myself in a dangerous spot here with a member of the medical profession on my right here, but I would like to ask a question that has been bothering me for some time, and I think you probably are thinking the same thing. But are our doctors not spending too much time treating the illness rather trying to prevent it?

Dr. Manga: That is exactly my point. Perhaps I should declare here, perhaps I should have done this right away. I happen to be a member of the Panel on Health Goals chaired by Dr. Spasoff and curiously I say, with respect,

established by the Minister of Health. This is something that the Premier should have established, because the Premier should have established this one and Mr. Elston should have established the other one, but it does not matter, both of them are here.

And it seems to me the health goals are pointing that what we need to do in this province and indeed in this country is have a wider understanding of what we are trying to achieve through-- in this province. See, for too long our only health goals seemed to be equal access. Accessibility dominated all health policies for 30 years, still do. Think of it in terms of the Canada Health Act, they make referral about accessibility and we have been so dominated by one objective that we have overlooked many other objectives that we should have pursued.

If we had a wider view of our health goals we would have emphasized disease prevention and health promotion far more. There is an identity in the way we have thought about issues. We say accessibility, we have faith in our medical profession and hospitals, okay, and we come to believe that one objective is pursued by one's strategy. And I think we need to expand our horizon and say there are many objectives and that medicare in and of itself cannot address all of the other objectives. And that is very important.

Mr. Mitchell: Thank you.

Mr. Chairman: Is that not fostered by just the attitude of the average individual, that the only time they think about doctors is when they are sick. They do not think about going, you know, looking after themselves; they are starting to do that, at least younger people have and certainly in my generation we ran ourselves down and when we hit the bottom or had a heart attack or whatever then we started maybe to rethink that process, but basically...

Dr. Henderson: May I kick in a comment, Mr. Chairman?

Mr. Johnston: He has been aroused now.

Mr. Chairman: Dr. Henderson?

Dr. Henderson: I want your comment and response to a mythical question and you might really respond to my comment.

The idea that we ought to be putting more resources into prevention, I think is a sound one, but I want to make two caveats that you might wish to comment on or dispute, for that matter.

I am not convinced that you need a doctor to do that. A physician's training after all is in diagnosis and

treatment which is becoming more and more high tech and mind-boggling in some instances. And in order to initiate, conceive, lead and administer programs of preventive medicine, you do not necessarily need those kinds of skills. Sometimes different kinds of people can do. That is my first caveat.

The second is that you have got to be very careful in certain fields because now that prevention is becoming a popular buzz word you can convince people that you can do things in the preventive area that you cannot do at all and since one of my fields happens to be mental health and mental illness, I am especially sensitive to that because again and again we hear programs being touted as preventing mental illness - they may be good programs and maybe do worthwhile things, but an awful lot of them that are touted as preventing mental illness are not doing that at all.

So we have to be careful we do not deceive ourselves I think in this area, but I agree with the principle, that it makes a lot of sense to prevent wherever we can, and probably we can in areas that we have not fully explored and developed in the past.

Dr. Manga: I very much agree with certainly the first one that you made. In fact I am worried, perhaps even excessively, if I confess, that we are going to medicalize disease prevention. I would like to keep physicians out of that area as much as possible and I am very happy to hear that, Dr. Henderson, you know, is counselling the same strategy. In fact, if we do medicalize prevention and health promotion we have lost the game. We will never get to transform the system very much.

As to the second one, there is no question that there are many, many mobility and indeed a number of, you know, premature mortality that we cannot prevent. It also happens to be the area where throwing more doctors in, more hospital services in, that it does not do much good either, it so happens.

So it seems that what we cannot prevent we cannot seem to be premature either and I am not sure, given that dilemma which we all assume, I would rather, you know, put more emphasis on prevention, palliation and this sort of thing.

In the case of mental health, for instance, I think there is a tremendous call for biomedical research in trying to solve and resolve some of the problems we face in this area. So that I am-- and to me that sort of area too, common area of prevention or looking for different cures or treatments.

But very generally, if we really believe that we have

to shift gears to more in the area of disease prevention and health promotion, we still have to, you know... The requirement seems to be quite obvious especially when we claim to have been in a state of physical crisis all the time, it is a known indemnity, the Canadian system. It seems everybody all the time talks about, you know, lack of physical capacity, maneuverability and this sort of thing.

In that case we have to think very seriously about down-sizing medicare. To me, as I suggested in my little brief to you, it means regulating the commitment of resources to the health care system; that means beds of all kinds and, of course, the providers of care. In my opinion, where we need to act quickly and forcefully would be in the area of reducing the supply of physician manpower.

Mr. Chairman: Mr. Johnston?

Mr. Johnston: I think that this is an issue that has to be confronted and I know when Bill 94 was being raised as the issue that the Government was actually after, but the thing that I wonder about, Pran, as politicians...

Dr. Manga: yes.

Mr. Johnston: ...even though I think there is a lot of merit to exactly what you are saying. How on earth do you sell that to the public who, one, look at doctors as witch doctors in terms of their level of status within our society and who have, as we saw under Bill 94 enormous power when they decide to wield it; and, secondly, that the community hospital has already been under attack once in this province to the devastation of Mr. Frank Miller and...

Dr. Manga: yes.

Mr. Johnston: And any attempt to reduce beds even if it is -- and I agree with you often it is a longer term social policy which we should be looking at -- it is going to be very hard to do politically. Do you have any advice about how you approach either of those issues without being fried in the political caldron?

Mr. Mitchell: This is not the time to be preparing your platform.

Mr. Chairman: It requires a strong majority Richard.

Mr. Leluk: Is this the NDP platform?

(Interjection)

Dr. Manga: It seems to me, you know, that people do not see the removal of resources that they do not have now. What I am saying that you would cut down the supply of

growth and greater availability of resources, you are not missing, you are just removing something you already have, but trying to make sure that they do not get something they should not get.

So, you know, one does not go around when we seem to be doing well as we are now, you know, the economy is vibrant and we have got a lot of money. So you take a junket all around the province and drop \$10,000,000 here and \$5,000,000 here to the health care system. It seems to me the sort of thing the Premier did recently is not wise. That sort of thing takes time.

I am not saying that you go now and close a hospital bed but let's not build any more, okay. You are simply getting the problem to be much worse. And of course cutting down in the number of, you know, medical doctors we train is not something that the community at large will complain about. You will get the middle class saying, my daughter and son is not getting a chance to be a doctor, et cetera, but by and large we are not talking about large numbers and I really want to take issue with you about educating the public. The problem as I know, over the past few years, we have discovered the public is ahead of the politicians.

Mr. Leluk: Is...? I am sorry.

Dr. Manga: I am saying the general public may be ahead of the politicians.

Mr. Johnston: We have been leading from behind for a long time now.

Dr. Manga: It is okay, you know, you may think you have to educate the public and the public, as I understand, if anything, we have to educate the politicians about.

Mr. Johnston: I am talking about the local political reality that is there.

Dr. Manga: There are many, many people, you can rhyme them off. I mean, what is the point it seems to me of getting somebody who has a lung disease, chronic lung disease because of the lousy mines they have to work in and assure them first class medical treatment, assuring them also that there is no cure, but we will do the best and after five years you die.

And I think, if you ask them, what would you rather have, they would tradeoff maybe a hospital bed or a few of them, say for mines. I am not sure that they would say no to you. And I think that they would even make the transaction right there and then and say we will make the tradeoff now. I think in many ways the kind of pattern of availability of resources is not determined by the people.

I think if you make the case that, you know, in some communities, if you took away a hospital they would, of course, oppose you.

Well, of course. The way Mr. Miller did it one should oppose it, but if he said, okay, I will take this away but instead I will give you such and such, you know, try to balance out what I take with one hand and give with the other, I am not sure what the reception might have been then, but that is not what he did.

So there are strategic or tactical decisions that government should be willing to make and I submit to you that there are are many communities willing to give up, you know, many things-- certainly in the north, the Indians do not value doctors and hospital beds as much as we think they do. When you ask them they rate them A for nothing in their list of priorities.

If you ask them; would you trade off, you know, access to McMaster for better housing I can tell you they would say forget McMaster any day, forget Queen's. They do not want the specialists that go up there, you know, the fancy technology and they do not achieve very much. I am quite serious about this.

Mr. Johnston: I do not disagree.

Dr. Manga: I have talked to many, many Indian groups in the north that tell me that they would give up a lot of what have been given by us. We made the choices for them. I submit there are many communities where there are people like the likes of you and me who would also give up.

Mr. Chairman: Mr. McGuigan?

You are certainly mesmerizing us because I would have thought on a day before a holiday that I would be left here, you and I would be left here alone.

Mr. Johnston: The dedicated ones would be here.

Mr. Mitchell: In all honesty, I do have to leave in ten minutes.

Mr. Chairman: Mr. McGuigan?

Mr. McGuigan: Doctor, it is a recurring thing that we hear, it is almost at the motherhood level, that we should be doing more about preventing diseases and I would like to get down to a little specifics because in my own mind I am not liable to catch whooping cough or measles or those sort of things because we have an immunization system with antibiotics that a person in the rare case does occur, they soon catch it and so we do not have a great spreading

system, we are not all catching TB from one another like two generations ago we were or three years generations ago we were catching TB from one another.

But what are we not doing? And before you answer that I do want to point to out that we have anti-smoking campaigns.

Dr. Manga: Yes.

Mr. McGuigan: ...that are in parts in our population being quite effective; older people are quitting smoking, unfortunately younger people are not.

Mr. Chairman: No-smoking resolution in committees.

Mr. McGuigan: In the field of accidents, we have got an automobile accident, we are certainly putting more pressure on impaired driving. We are doing a lot there. We are putting a lot more emphasis on health and safety in work situations, although surely we have a long ways to go, but nevertheless we are making pretty good progress.

I had the experience of being in some third world countries and seeing people work. Just last week I was in Mexico and I saw a fellow with a grinding wheel, grinding glass subidian glass and making ornaments out of it just with a rag around his face and part of the time he did not even have a rag around his face. You know, you look at that fellow and you say he is going to die of silicosis not too long from now.

In this country we have so many areas where we are doing these things and fairly well. In nutrition we have gone now from 120 pounds consumption of beef down to about 70 pounds of beef much to the chagrin of the beef producers and raised our consumption of less fattening meats like fish and chicken.

In Canada we have had a campaign emanating out of Ottawa, the Canadian Fruit Wholesalers and the Canadian Horticultural Council called Flesh for Flavour and they have set a goal of 500 pounds per person in Canada of fruits and vegetables and they have pretty well achieved it or something like 60 pounds. In the States it is around 300 pounds. Generally recognizing more fibre, less fat has less cancers -- cancer causers -- less cancer. In fact, there is evidence in the States now saying that you can prevent cancer by having certain vegetables...

Dr. Manga: Fruit.

Mr. McGuigan: Fruit and vegetables, the cabbage family which claims to prevent cancer. We are doing an awful lot it seems to me in the way of prevention that is

not recognized and is not given any credit.

I wonder, how much more can we do without taking total control of peoples' lives? I guess just to split up and start a little more on that, when you have got a grocery store, you do not buy your food in bulk any more. You reach in and pull out a bunch of cookies and somebody else has pulled out a bunch of cookies and, therefore, transferred disease.

We have these all packaged in small packages and so on. It is a high cost, but nevertheless an older medical doctor was telling me that there is far fewer cases today of enteritis and this doctor ascribed that to the fact of food handling, the fact that -- in fact, we were discussing this because five years ago there was quite a move back to bulk foods which has all been dropped again and we have gone back to small packages.

Mr. Mitchell: Except in super stores.

Mr. McGuigan: In some places, but largely it has been dropped and it was quite popular around '81 in the recession, it was quite a popular move. As a matter of fact it was at that time that this doctor was telling me, this is an older doctor, that prior to the food packaging you used to see a lot of enteritis amongst children which was fatal.

What I am saying is we are doing an awful lot in the way of prevention. It does not seem to me it is being recognized.

Dr. Manga: I am not sure that is true. I think what people are saying is there is yet more to be done. Let's take every area you mentioned.

I do not think you will deny there is more that can be done. Let's talk about occupational health and safety. I do not believe that we are totally proud of achievements to date. If you want to look at disease and injuries in the agricultural sector, it is abominably high; in our mining. The kind of description you gave me of this glass worker. Well, you should see how some of the miners work in the mines in Ontario or the agricultural workers. They are sprayed with all sorts of pesticides and chemicals and so forth.

I do not think you could tell me and I do not think you are intending to tell me that we are proud. I heard you almost trying to qualify that we have done better but we have got a long way to go. There is no question we have a long way to go in our health and safety record in our work places. We have done well because we have done so badly before.

So the 60s must look terrible compared to the late 70s when we started to-- there was a mushrooming of all the health and safety legislation but, you know, take it, think of it. 1974 the first Health and Safety Act, Saskatchewan. Okay? Then there was a boom, I mean, suddenly all the provinces are gung-ho about right to know legislation, et cetera, et cetera.

Bill 70 that we have here in the health and safety came in 1979, but already there are complaints about lack of enforcement of the legislation and where are the standards that you are intending to promulgate under the legislation. It is slow coming. Of course, at the same time technology is bringing greater and greater hazards, of course, to the workplace.

So it is a constant race. You cannot rest on your laurels in this case. Let's take the area of communicable diseases. I do not need to mention more than AIDS to say that we have a big problem ahead of us; as to sexual transmitted diseases of all kinds, I do not think you can say that we have achieved what we think we should achieve.

Mr. McGuigan: I was not thinking that either.

Dr. Manga: The fact that too many of our, you know, young females get pregnant-- single mothers...

Mr. Chairman: Excuse me, Professor. I do not want to interrupt, but I think we are drifting somewhat far afield of the for-profit and not for-profit sector.

Dr. Manga: Sure.

Mr. Chairman: And I think at least two of the members I see fidgeting in their seats and we are just about at four o'clock, so I think I am going to take the Chairman's prerogative.

Mr. McGuigan: I might say that I would object to that, Mr. Chairman, because I have been reasonably quiet.

Mr. Chairman: Well, all right, go ahead.

Mr. McGuigan: Well, I appreciate the doctor's answer but when we hear people talking about we should do more prevention it almost strikes in my mind that there is some whole area out here that we are totally neglecting. We just have to reach over in the box and pull out a whole new area and I agree with what you are saying that we have to do more in those areas, the ones that we have been talking about.

Dr. Manga: That is right.

There are no virgin territories, but there is a lot to

excavate yet in the ones that we have been doing. There is lots to do.

Mr. McGuigan: I wonder if you could tell us more about the areas where we are neglecting, the new areas that we should be working in that we are neglecting?

Dr. Manga: I was starting to elaborate on that. I was going to say...

Mr. Chairman: Sorry, I did not mean to cut you off Professor.

Dr. Manga: For instance, you may think we have done wonderfully in the area of tetanus, measles and all that. There are, you know, a surprisingly large number of people who are exposed to polio in this province and they all happen to be poor people. Many of them happen to be ethnic groups. You and I are covered because we have been here long enough, but when you look at the records, you know, there is a world job to be done.

I think the biggest advent -- and I tell you my concerns in the kind of development you see coming out of the Health Goals Panel -- in the area of unemployment. I do not believe that we should ever be satisfied with our double digit unemployment levels or even 9 per cent and that is a hazard. We know that there is a morbidity attached to being unemployed. Is our record a good one in that area? I would say no, clearly not.

If you ask me I would think one of the problems in health is that we have lots of poor people. You may think that we have improved our, you know, nutrition, et cetera because you and I can buy it and we go to proper stores, but a lot of poor people eat, in my view, rubbish, because that is all they can afford.

So that that is why the gap is growing by the way and when I say we have to do more, all your examples come from purely health areas. When I am talking unemployment, I am talking income security, I am talking education in schools. You know, our kids, by the way, in schools are a little more informed about many things than American kids are, you know, we have got a long way to go yet.

Mr. McGuigan: Mr. Chairman, just to save you time, I would agree totally with what the Professor has said. I think we are saying the same thing, if we continue doing the things we are already doing but so many times when I hear people talking about: Well, we are not doing anything about prevention, it conjours up in my mind that there is some whole area out here that all we have to do is dip into this bin and pull out a prevention measure and we are going to make some great progress.

Dr. Manga: That is not my position.

Mr. Chairman: It took us a long time to get there, it will take us a long time to get back.

I did not mean to cut you off, but actually the framework of what we are dealing with here and I know you just came in to substitute today, was really the question of for-profit or not-for-profit in the health care system.

We got sidetracked but I think...

Mr. McGuigan: A very interesting way too.

Mr. Chairman: I think it was a very interesting sidetrack because really what you are discussing is the question of something that the entire health care system is going to be faced with is the ever increasing costs and will that drive us into the for-profit scenario in order to supplement it unless we have prevention on the other side of the coin to -- I mean, AIDS itself, unless there is a cure found for it very soon, we may very well have a significant impact on the cost to governments in terms of medical health care.

Dr. Manga: For sure. I think there is no doubt about that.

Mr. Chairman: Well, thank you very much for coming here from Ottawa. Perhaps you can go home with Mr. Mitchell. I think he is just about to hit the plane.

And we appreciate it. We will certainly consider your brief, which is very interesting, in our deliberations in our report.

Dr. Manga: Thank you very much.

Mr. Chairman: Thank you. Adjourned sine die, I guess.

The Committee adjourned at 4:00 p.m.



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